

JAN 17 2020

A BILL FOR AN ACT

RELATING TO COMMUNITY CHOICE AGGREGATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§269- Community choice aggregation. (a) Customers
5 shall be entitled to aggregate their electric loads as members
6 of their local community with community choice aggregators.

7 (b) Customers may aggregate their loads through a public
8 process with community choice aggregators, if each customer is
9 informed of their right to opt out of a community choice
10 aggregation program.

11 (c) A customer who does not opt out shall be served
12 through a community choice aggregation program, if available.
13 If a customer opts out of a community choice aggregation
14 program, or has no community choice aggregation program
15 available, that customer shall have the right to continue to be
16 served by the existing public utility.



1 (d) If a public agency seeks to serve as a community
2 choice aggregator, it shall offer the opportunity to purchase
3 electricity to all residential customers within its
4 jurisdiction.

5 (e) A community choice aggregator is authorized to
6 aggregate the electrical load of interested electricity
7 customers within its boundaries to reduce transaction costs to
8 customers, provide consumer protections, and leverage the
9 negotiation of contracts; provided that the community choice
10 aggregator may not aggregate electrical load if that load is
11 served by an electric cooperative. A community choice
12 aggregator may group retail electricity customers to solicit
13 bids, broker, and contract for electricity and energy services
14 for those customers.

15 (f) A community choice aggregator establishing electric
16 load aggregation pursuant to this section shall develop and file
17 with the commission an implementation plan detailing the process
18 and consequences of aggregation. The implementation plan and
19 any subsequent changes shall be considered and adopted at a
20 public hearing conducted by the commission and shall contain the
21 following:



- 1 (1) An organizational structure of the program, its
- 2 operations, and its funding;
- 3 (2) Rate setting and other costs to program participants;
- 4 (3) Provisions for disclosure and due process in setting
- 5 rates and allocating costs among program participants;
- 6 (4) Methods for entering and terminating agreements with
- 7 other entities;
- 8 (5) Rights and responsibilities of program participants,
- 9 including but not limited to consumer protection
- 10 procedures, credit issues, and shutoff procedures;
- 11 (6) Termination of the program; and
- 12 (7) A description of the third parties that will be
- 13 supplying electricity under the program, including but
- 14 not limited to information regarding financial,
- 15 technical, and operational capabilities.
- 16 (g) A community choice aggregator establishing electrical
- 17 load aggregation shall prepare a statement of intent to be filed
- 18 with the commission along with the implementation plan. A
- 19 community choice load aggregation established pursuant to this
- 20 section shall provide for the following:
- 21 (1) Universal access;



- 1 (2) Reliability;
- 2 (3) Equitable treatment of all classes of customers; and
- 3 (4) Any requirements established by state law or by the
- 4 commission concerning aggregated services.

5 (h) A customer purchasing electricity from a community
6 choice aggregator pursuant to this section shall reimburse the
7 public utility that previously served the customer for the
8 following:

9 (1) The public utility's unrecovered past under-
10 collections for electricity purchases, including any
11 financing costs attributable to that customer, that
12 the commission determines may be recovered in rates;
13 and

14 (2) Any additional costs of the public utility recoverable
15 in commission-approved rates, equal to the share of
16 the public utility's estimated net unavoidable
17 electricity purchase contract costs attributable to
18 the customer, as determined by the commission, for the
19 period commencing with the customer's purchases of
20 electricity from the community choice aggregator,
21 through the expiration of all then-existing



1 electricity purchase contracts entered into by the
2 public utility.

3 (i) Estimated net unavoidable electricity costs paid by
4 the customers of a community choice aggregator shall be reduced
5 by the value of any benefits that remain with customers served
6 by a public utility, unless the customers of the community
7 choice aggregator are allocated a fair and equitable share of
8 those benefits.

9 (j) The commission shall establish by rule the cost
10 recovery mechanism required pursuant to subsection (h).

11 (k) A public utility corporation shall recover from the
12 community choice aggregator any costs reasonably attributable to
13 the community choice aggregator, as determined by the
14 commission, of implementing this section, including but not
15 limited to all business and information system changes, except
16 for transaction-based costs as described in this subsection.
17 Any costs not reasonably attributable to a community choice
18 aggregator shall be recovered from ratepayers, as determined by
19 the commission. All reasonable transaction-based costs of
20 notices, billing, metering, collections, and customer
21 communications or other services provided to a community choice



1 aggregator or its customers shall be recovered from the
2 community choice aggregator or its customers on terms and rates
3 approved by the commission.

4 (l) All public utility corporations shall cooperate fully
5 with any community choice aggregators that investigate, pursue,
6 or implement community choice aggregation programs. Cooperation
7 shall include providing community choice aggregators with
8 appropriate billing and electrical load data, including but not
9 limited to electrical consumption data and other data detailing
10 electricity needs and patterns of use, as determined and in
11 accordance with procedures established by the commission.

12 (m) A county that elects to implement a community choice
13 aggregation program pursuant to this section shall do so by
14 ordinance.

15 (n) The community choice aggregator shall register with
16 the commission, which may require additional information as
17 needed to ensure compliance with this section and relevant State
18 law.

19 (o) No community choice aggregation program may be
20 authorized or established until the commission has adopted rules
21 pursuant to chapter 91 necessary to carry out the purposes of



1 this section, including the development of the cost recovery
2 mechanism required pursuant to subsection (h).

3 (p) As used in this section:

4 "Community choice aggregator" means any county whose
5 council elects to combine the load of its residents, businesses,
6 and municipal facilities in a community-wide electricity buyers'
7 program. "Community choice aggregator" does not include any
8 county whose customers are served by an electric cooperative.

9 "Electric cooperative" has the same meaning as in section
10 269-31.

11 "Public agency" means any office, department, board,
12 commission, bureau, division, public corporation, agency, or
13 instrumentality of the county government."

14 SECTION 2. The public utilities commission shall submit a
15 report to the legislature no later than twenty days prior to the
16 convening of the regular session of 2024 regarding the community
17 choice aggregators authorized by this Act. The report shall
18 include:

- 19 (1) The number of community choice aggregators in the
20 State;



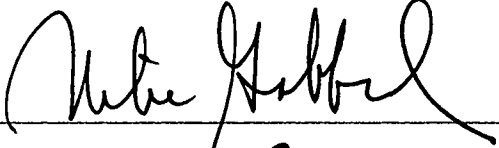

- 1 (2) The number of customers served by community choice
- 2 aggregation programs;
- 3 (3) Information on third party suppliers to community
- 4 choice aggregation programs;
- 5 (4) Any compliance issues associated with community choice
- 6 aggregation programs; and
- 7 (5) The overall effectiveness of community choice
- 8 aggregators, including cost savings to consumers and
- 9 the overall impact on electricity rates in the State."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

12

INTRODUCED BY:



S.B. NO. 2744

Report Title:

Public Utilities Commission; Community Choice Aggregators;
Community Choice Aggregation; Electricity

Description:

Authorizes a community choice aggregator to aggregate the electrical load of interested electricity customers within its boundaries. Requires the public utilities commission to adopt rules and submit a report to the legislature.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

