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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. The legislature finds that Act 97, Session Laws  
2 of Hawaii 2015, established a renewable portfolio standards  
3 target of one hundred per cent renewable electric energy by  
4 2045. Act 15, Session Laws of Hawaii 2018, also established a  
5 statewide zero emissions clean economy target to sequester more  
6 atmospheric carbon and greenhouse gases than emitted within the  
7 State as quickly as practicable, but no later than 2045.

8           To move the State closer to its carbon negative target as  
9 soon as possible, which is needed to mitigate the damaging  
10 effects of projected sea level rise due to greenhouse gas  
11 emissions, the legislature finds that continual progress and the  
12 timely approval, commencement of construction, and completion of  
13 renewable energy projects is of paramount importance.

14           Renewable energy project developers currently must obtain  
15 public utilities commission approval of the project and the  
16 power purchase agreement before obtaining financing or expending  
17 significant moneys to begin construction of their respective



1 projects. Accordingly, delays in receiving approvals from the  
2 public utilities commission typically results in delays to  
3 obtaining financing and the commencement of construction of the  
4 renewable energy project. The legislature further finds that  
5 renewable energy projects take multiple years to develop. A  
6 procedural framework is therefore necessary to ensure timely  
7 progression of these important projects.

8 The Hawaii natural energy institute informed the public  
9 utilities commission in December 2020, that the timely  
10 completion of renewable energy projects is critical to mitigate  
11 grid reliability issues. The legislature consequently finds  
12 that defining the timing of the public utilities commission's  
13 review process for renewable projects, power purchase  
14 agreements, and cost recovery applications, will not only help  
15 bring utility-scale renewable energy projects online sooner, it  
16 will also:

- 17 (1) Decrease electricity rates for consumers by providing  
18 project developers with added certainty regarding  
19 timing, which helps to lower bid pricing;
- 20 (2) Help achieve the State's renewable portfolio standards  
21 goals in a timely manner; and



1           (3) Help reduce greenhouse gas emissions earlier to  
2           mitigate climate change.

3           State departments need to implement more efficient ways to  
4 streamline government processing and the review of proposed  
5 renewable energy projects. Therefore, the purpose of this Act  
6 is to:

7           (1) Require the public utilities commission to render  
8           decisions on certain renewable projects, power  
9           purchase agreements, and cost recovery applications  
10          within one hundred eighty days of the filing of the  
11          application and establish application procedures and  
12          requirements;

13          (2) Exempt certain power purchase agreement amendments  
14          from the public utilities commission's review and  
15          approval process under certain circumstances; and

16          (3) Require a public utility requesting an amendment to a  
17          power purchase agreement to submit an informational  
18          filing to the public utilities commission.

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



1       "§269- Public utilities commission decision-making for  
2 renewable energy matters. (a) Relating to applications filed  
3 on or after July 1, 2023, the public utilities commission shall  
4 approve, approve with modifications, or deny matters for  
5 proposed:

6       (1) Renewable projects developed by a public utility;  
7       (2) Renewable energy power purchase agreement  
8       applications;  
9       (3) Projects to connect renewable facilities to the  
10       electric grid; and  
11       (4) Cost recovery applications for required substation and  
12       infrastructure upgrades,  
13 filed with the commission within one hundred eighty days of the  
14 filing. In carrying out this mandate, the public utilities  
15 commission shall set and enforce a procedural schedule that  
16 allows the commission to meet the one hundred eighty-day period.  
17 If the application is not approved, approved with modification,  
18 or denied by the commission within one hundred eighty days, the  
19 commission shall report the reasons therefor to the legislature  
20 and the governor in writing within thirty days after the  
21 expiration of the one hundred eighty-day period.



1        (b) In making its determinations for applications under  
2 subsection (a), the commission shall:

3        (1) Require the filing of an application that includes, at  
4 a minimum, standard required information to support a  
5 determination of the reasonableness of the proposed  
6 project, the necessity of the project at the proposed  
7 costs, a demonstration of community support, and other  
8 commission guidelines to allow expeditious review of a  
9 requested project. The Commission shall determine  
10 what information is necessary to include in the  
11 applications for each type of project or proposal;

12        (2) Require that the project, to the fullest extent  
13 possible, has received the necessary approvals from  
14 the relevant government agencies prior to filing its  
15 application;

16        (3) Allow for parties to submit a mutually agreeable  
17 request for an extension to the procedural schedule to  
18 allow for reasonable time to review; and

19        (4) Not be required to file a report to the legislature  
20 and the governor if any of the prior conditions are  
21 not met.



1        (c) For any power purchase agreement previously approved  
2 by the public utilities commission, and subsequent amendments  
3 filed on or after July 1, 2023, shall not require approval of  
4 the public utilities commission; provided that:

5        (1) The power purchase agreement is for renewable power  
6 generation;

7        (2) The amended power purchase agreement reduces the unit  
8 price of the combined energy payments, capacity  
9 payments, and any other payments, or the effective  
10 cost of the project;

11       (3) The effective cost of the project is lower than the  
12 average retail price per kWh of electricity produced  
13 by renewable generation on the utility system for the  
14 utility submitting the application for the entire term  
15 of the amended contract;

16       (4) The power purchase agreement does not include  
17 limitations on how it can be operated, such as minimum  
18 dispatch requirements, provisions for curtailment  
19 priority, or others; and

20       (5) The power purchase agreement is extended for not more  
21 than five years.



1       (d) The public utility requesting an amendment to a power  
2 purchase agreement shall submit an informational filing to the  
3 public utilities commission and all parties to the original  
4 power purchase agreement proceeding. The contents of the  
5 informational filing shall be determined by commission order or  
6 by rules adopted by the commission. The informational filing  
7 shall be available for public review for a period of two months,  
8 at which time it shall not require further commission action,  
9 unless the informational filing does not satisfy the filing  
10 requirements or there are concerns from the public or a party  
11 that require review through a subsequent commission proceeding.

12       (e) This section shall only apply to utility-scale  
13 renewable energy projects that are five megawatts in total  
14 output capacity or larger.

15       (f) This section shall not apply to a member-owned  
16 cooperative electric utility."

17       SECTION 3. New statutory material is underscored.

18       SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Renewable Energy; Public Utilities Commission; Electric Public Utilities

**Description:**

For applications filed on or after July 1, 2023, requires the Public Utilities Commission to render decisions on certain renewable projects, power purchase agreements, and cost recovery applications within one hundred eighty days of the filing of the application and establishes procedures and requirements for the applications. Exempts certain power purchase agreement amendments from the Public Utilities Commission review and approval process in certain circumstances. Requires a public utility requesting an amendment to a power purchase agreement to submit an informational filing to the Public Utilities Commission. Effective 7/1/2050. (SD2)

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

