

JAN 23 2025

A BILL FOR AN ACT

RELATING TO RENEWABLE PORTFOLIO STANDARDS.

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

1 SECTION 1. Section 269-92, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§269-92 Renewable portfolio standards.** (a) Each
4 electric utility company that sells electricity for consumption
5 in the State shall establish a renewable portfolio standard of:

6 (1) Ten per cent of its net electricity sales by
7 December 31, 2010;

8 (2) Fifteen per cent of its net electricity sales by
9 December 31, 2015;

10 (3) Thirty per cent of its net electricity sales by
11 December 31, 2020;

12 (4) Forty per cent of its net electricity generation by
13 December 31, 2030;

14 (5) Seventy per cent of its net electricity generation by
15 December 31, 2040; and

16 (6) One hundred per cent of its net electricity generation
17 by December 31, 2045.



1 (b) The public utilities commission may establish
2 standards for each electric utility company that prescribe the
3 portion of the renewable portfolio standards that shall be met
4 by specific types of renewable energy resources; provided that:

5 (1) Before January 1, 2015, at least fifty per cent of the
6 renewable portfolio standards shall be met by
7 electrical energy generated using renewable energy as
8 the source, and after December 31, 2014, the entire
9 renewable portfolio standard shall be met by
10 electrical generation from renewable energy sources;

11 (2) Beginning January 1, 2015, electrical energy savings
12 shall not count toward renewable energy portfolio
13 standards;

14 (3) Where electrical energy is generated or displaced by a
15 combination of renewable and nonrenewable means, the
16 proportion attributable to the renewable means shall
17 be credited as renewable energy; and

18 (4) Where fossil and renewable fuels are co-fired in the
19 same generating unit, the unit shall be considered to
20 generate renewable electrical energy (electricity) in
21 direct proportion to the percentage of the total heat



1 input value represented by the heat input value of the
2 renewable fuels.

3 ~~[(c) If the public utilities commission determines that an~~
4 ~~electric utility company failed to meet the renewable portfolio~~
5 ~~standard, after a hearing in accordance with chapter 91, the~~
6 ~~utility shall be subject to penalties to be established by the~~
7 ~~public utilities commission; provided that if the commission~~
8 ~~determines that the electric utility company is unable to meet~~
9 ~~the renewable portfolio standards because of reasons beyond the~~
10 ~~reasonable control of the electric utility company, as set forth~~
11 ~~in subsection (d), the commission, in its discretion, may waive~~
12 ~~in whole or in part any otherwise applicable penalties.~~

13 ~~(d) Events or circumstances that are beyond an electric~~
14 ~~utility company's reasonable control may include, to the extent~~
15 ~~the event or circumstance could not be reasonably foreseen and~~
16 ~~ameliorated:~~

- 17 ~~(1) Weather-related damage;~~
- 18 ~~(2) Natural disasters;~~
- 19 ~~(3) Mechanical or resource failure;~~



- 1 ~~(4) Failure of renewable electrical energy producers to~~
- 2 ~~meet contractual obligations to the electric utility~~
- 3 ~~company;~~
- 4 ~~(5) Labor strikes or lockouts;~~
- 5 ~~(6) Actions of governmental authorities that adversely~~
- 6 ~~affect the generation, transmission, or distribution~~
- 7 ~~of renewable electrical energy under contract to an~~
- 8 ~~electric utility company;~~
- 9 ~~(7) Inability to acquire sufficient renewable electrical~~
- 10 ~~energy due to lapsing of tax credits related to~~
- 11 ~~renewable energy development;~~
- 12 ~~(8) Inability to obtain permits or land use approvals for~~
- 13 ~~renewable electrical energy projects;~~
- 14 ~~(9) Inability to acquire sufficient cost-effective~~
- 15 ~~renewable electrical energy;~~
- 16 ~~(10) Inability to acquire sufficient renewable electrical~~
- 17 ~~energy to meet the renewable portfolio standard goals~~
- 18 ~~beyond 2030 in a manner that is beneficial to Hawaii's~~
- 19 ~~economy in relation to comparable fossil fuel~~
- 20 ~~resources;~~



1 ~~(11) Substantial limitations, restrictions, or prohibitions~~
2 ~~on utility renewable electrical energy projects;~~
3 ~~(12) Non-renewable energy generated by electric generation~~
4 ~~facilities where the electric utility company~~
5 ~~otherwise does not have direct control or ownership of~~
6 ~~independent power producers, government and non-~~
7 ~~government agencies, and any persons or entities,~~
8 ~~including merchant or co-generation facilities; and~~
9 ~~(13) Other events and circumstances of a similar nature.]"~~

10 SECTION 2. Section 269-95, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§269-95 Renewable portfolio standards study.** The public
13 utilities commission shall:

14 (1) By December 31, 2007, develop and implement a utility
15 ratemaking structure, which may include performance-
16 based ratemaking, to provide incentives that encourage
17 Hawaii's electric utility companies to use cost-
18 effective renewable energy resources found in Hawaii
19 to meet the renewable portfolio standards established
20 in section 269-92, while allowing for deviation from
21 the standards in the event that the standards cannot



1 be met in a cost-effective manner or as a result of
2 events or circumstances [~~such as described in section~~
3 ~~269-92(d),~~] beyond the control of the electric utility
4 company that could not have been reasonably
5 anticipated or ameliorated;

- 6 (2) Gather, review, and analyze empirical data to:
- 7 (A) Determine the extent to which any proposed
 - 8 utility ratemaking structure would impact
 - 9 electric utility companies' profit margins; and
 - 10 (B) Ensure that the electric utility companies'
 - 11 opportunity to earn a fair rate of return is not
 - 12 diminished;

- 13 (3) Use funds from the public utilities special fund to
- 14 contract with the Hawaii natural energy institute of
- 15 the University of Hawaii to conduct independent
- 16 studies to be reviewed by a panel of experts from
- 17 entities such as the United States Department of
- 18 Energy, National Renewable Energy Laboratory, Electric
- 19 Power Research Institute, Hawaii electric utility
- 20 companies, environmental groups, and other similar
- 21 institutions with the required expertise. These



1 studies shall include findings and recommendations
2 regarding:

3 (A) The capability of Hawaii's electric utility
4 companies to achieve renewable portfolio
5 standards in a cost-effective manner and shall
6 assess factors such as:

- 7 (i) The impact on consumer rates;
- 8 (ii) Utility system reliability and stability;
- 9 (iii) Costs and availability of appropriate
10 renewable energy resources and technologies,
11 including the impact of renewable portfolio
12 standards, if any, on the energy prices
13 offered by renewable energy developers;
- 14 (iv) Permitting approvals;
- 15 (v) Effects on the economy;
- 16 (vi) Balance of trade, culture, community,
17 environment, land, and water;
- 18 (vii) Climate change policies;
- 19 (viii) Demographics;
- 20 (ix) Cost of fossil fuel volatility; and



- 1 (x) Other factors deemed appropriate by the
- 2 commission; and
- 3 (B) Projected renewable portfolio standards to be set
- 4 five and ten years beyond the then current
- 5 standards;
- 6 (4) Evaluate the renewable portfolio standards every five
- 7 years, beginning in 2013, and may revise the standards
- 8 based on the best information available at the time to
- 9 determine if the standards established by section
- 10 269-92 remain effective and achievable; and
- 11 (5) Report its findings and revisions to the renewable
- 12 portfolio standards, based on its own studies and
- 13 other information, to the legislature no later than
- 14 twenty days before the convening of the regular
- 15 session of 2014, and every five years thereafter."

16 SECTION 3. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

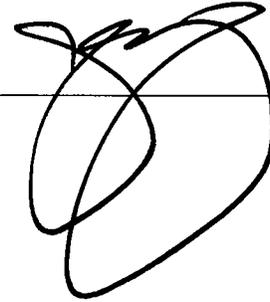
19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken.



1 SECTION 5. This Act shall take effect upon its approval.

2

INTRODUCED BY: _____

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S.B. NO. 1499

Report Title:

PUC; Renewable Portfolio Standards; Electric Utility Companies; Penalties; Repeal

Description:

Repeals the Public Utilities Commission's authority to penalize electric utility companies that fail to meet the renewable portfolio standards.

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