

JAN 15 2025

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 the State should
2 attempt to meet its goals of energy independence through
3 renewable energy by ensuring that every stakeholder, including
4 consumers and producers, play an active role in the process of
5 producing electricity. Solar panels are an acceptable mode of
6 producing electricity, and user-producers of solar electricity
7 are generally homeowners who have installed solar panels on
8 their rooftops. However, current state policies do not
9 adequately incentivize homeowners to conserve or produce more
10 energy at their residences. Requiring electric utilities to
11 compensate homeowners for the kilowatt hours that they produced
12 but have not used at the end of the year would encourage
13 homeowners to install additional rooftop solar panels and
14 conserve energy. The legislature also believes that producing
15 energy from rooftop solar panels is a more acceptable energy
16 source than windfarms.



1 The purpose of this Act is to require electric utilities to
2 compensate electricity producers for excess electricity credits
3 remaining at the end of each twelve-month reconciliation period.

4 SECTION 2. Section 269-106, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§269-106 Billing periods; twelve-month reconciliation.**

7 (a) Billing of net energy metering customers shall be on a
8 monthly basis; provided that the last monthly bill for each
9 twelve-month period shall reconcile for that twelve-month period
10 the net electricity provided by the electric utility with[+

11 ~~(1) The]~~ the electricity generated by the eligible
12 customer-generator and fed back to the electric grid
13 over the monthly billing [~~period; and~~

14 ~~(2) Any unused credits for excess electricity from the~~
15 ~~eligible customer-generator carried over from prior~~
16 ~~months since the last twelve-month reconciliation]~~
17 period.

18 (b) Credits for excess electricity from the eligible
19 customer-generator that remain unused after [~~each twelve-month~~
20 ~~reconciliation period may not be carried over to the next~~
21 ~~twelve-month period.] the succeeding twelve-month period shall~~



1 be purchased by the utility or its designee at the rate of
2 compensation set forth in section 269-108."

3 SECTION 3. Section 269-108, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§269-108 Net electricity producers; excess electricity**
6 **credits and credit carry over.** (a) At the end of each monthly
7 billing period, where the electricity generated by the eligible
8 customer-generator during the month exceeds the electricity
9 supplied by the electric utility during that same period, the
10 eligible customer-generator is a net electricity producer and
11 the electric utility shall retain any excess kilowatt-hours
12 generated during the prior monthly billing period; provided that
13 the excess electricity generated by the customer-generator, if
14 any, in each monthly billing period shall be carried over to the
15 next month as a monetary value to the credit of the eligible
16 customer-generator, which credit may accumulate and be used to
17 offset the compensation owed the electric utility for the
18 eligible customer-generator's net kilowatt-hour consumption for
19 succeeding months within each twelve-month period; provided
20 further that the electric utility shall reconcile the eligible



1 customer-generator's electricity production and consumption for
2 each twelve-month period as set forth in section 269-106.

3 (b) The eligible customer-generator shall [~~not be owed any~~
4 ~~compensation~~] be compensated for any excess kilowatt-hours
5 [~~unless the electric utility enters into a purchase agreement~~
6 ~~with the eligible customer-generator for those excess~~
7 ~~kilowatt-hours.~~] remaining at the end of any twelve-month
8 period. The compensation owed to the eligible
9 customer-generator shall be calculated at the retail rate of the
10 rate class to which the customer is normally assigned."

11 SECTION 4. The utility company shall pay 33.3 per cent of
12 the compensation owed under section 3 of this Act in the first
13 year of implementation following the effective date of this Act,
14 66.6 per cent of the compensation owed under section 3 of this
15 Act in the second year of implementation following the effective
16 date of this Act, and one hundred per cent of the compensation
17 owed under section 3 of this Act from the third year of
18 implementation following the effective date of this Act and in
19 subsequent years.



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1 SECTION 5. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 6. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 7. This Act shall take effect upon its approval.

7

INTRODUCED BY: *Kurt Favelle*



S.B. NO. 202

Report Title:

Net Energy Metering; Electric Utilities; Net Energy Producers;
Compensation

Description:

Requires electric utilities to compensate electricity producers
for excess electricity credits.

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