

## ACT 132

H.B. NO. 2165-78

A Bill for an Act Relating to the Purchase by a Public Utility of Geothermal Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1. Findings and Purpose.** The Legislature finds commercial development of the State's geothermal energy resources requires an assurance to the producer of geothermal energy that his product can be sold at a just and reasonable rate. The Legislature further finds that it is in the public interest to establish procedures in order that the interests of the producer, the public utility, and the consumer may be considered in establishing a just and reasonable rate for the purchase of geothermal energy by a public utility.

It is the purpose of this Act to promote the commercial development of geothermal energy and to protect the interests of the producer, the public utility, and the consumer by establishing procedures under which the public utilities commission shall determine just and reasonable rates payable by a public utility to a producer of geothermal energy.

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

**"Sec. 269- Establishment of geothermal energy rates.** (a) The rate payable by a public utility to the producer of geothermal steam or electricity generated from geothermal steam shall be established by agreement between the public utility and the supplier, subject to approval by the public utilities commission; provided that, if the public utility and the supplier fail to reach an agreement for such rate, or if the agreed upon rate is disapproved by the commission, the public utilities commission shall establish a just and reasonable rate for the geothermal steam or electricity generated from geothermal steam supplied to the public utility by the producer.

(b) The producer of geothermal steam or electricity generated from geothermal steam shall be excluded from coverage of the term "public utility" as defined in section 269-1."

**SECTION 3.** New material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.\*

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

(Approved May 30, 1978.)

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\*Edited accordingly.