

ACT 205

S.B. NO. 2405

A Bill for an Act Relating to Net Energy Metering.

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

SECTION 1. The legislature finds that a program to provide net energy metering for eligible customer-generators is one way to encourage private investment in renewable energy resources, stimulate in-state economic growth, enhance the continued diversification of Hawaii's energy resource mix, and reduce utility interconnect and administrative costs.

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

“§269- Net energy metering. (a) Every electric utility in the State that offers residential electrical service shall develop a standard contract or tariff providing for net energy metering, and shall make this contract available to eligible customer-generators on a first-come, first-served basis until such time as the total rated generated capacity owned and operated by eligible customer-generators in each utility's service areas equals 0.1 per cent of the utility's peak demand.

(b) Each eligible customer-generator meeting the criteria of subsection (a) shall be entitled to net energy metering, calculated as follows:

- (1) The customer-generator shall be billed for the energy supplied by the utility at the utility-approved retail rate, less an amount equal to the amount of energy generated by the customer over the applicable billing period, multiplied by a rate set by the commission based on the incremental cost to the utility of alternative electric energy.
- (2) Where the amount in paragraph (1) is positive, the customer-generator shall be billed by the utility. Where the amount is negative, the customer-generator shall be credited by the utility.

(c) A utility, with the consent of the eligible customer-generator, may annualize the period during which the net energy measurement is calculated.

(d) In the event of disputes between a utility and an eligible customer-generator, either party may request a determination of the disputed issue by the commission.

(e) The electric utility shall have the right to deny interconnection with an eligible customer-generator if the interconnection will directly result in degradation of service.

(f) The electric utility shall have the right to prevent electric energy flow into the system by the customer-generator if the customer-generator's facilities are not in compliance with the electric utility's interconnection requirements. The intercon-

nection will be reinstated upon remediation by the customer-generator within a reasonable period. Repeated violations within a one-year period may be grounds for termination of the interconnection agreement.”

SECTION 3. Section 269-1, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

““Eligible customer-generator” means a metered residential customer of an electric utility who owns and operates a solar, wind, or micro-hydro electric energy generating facility with a capacity of not more than ten kilowatts, that is located on the customer’s premises, operates in parallel with the utility’s transmission and distribution facilities, is in conformance with the utility’s interconnection requirements, and is intended primarily to offset part or all of the customer’s own electrical requirements.

“Incremental cost of alternative electric energy” means, with respect to electric energy purchased from an eligible customer-generator, the cost to the utility of the electric energy that, but for the purchase from the eligible customer-generator, the utility would generate or purchase from another non-firm source.

“Net energy metering” means using a non-time-differentiated meter to measure the electricity supplied by a utility and another non-time-differentiated meter to measure the electricity generated by an eligible customer-generator and fed back to the utility over an entire billing period.”

SECTION 4. New statutory material is underscored.¹

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

(Approved June 17, 1996.)

Note

1. Edited pursuant to HRS §23G-16.5.