

ACT 203

H.B. NO. 452

A Bill for an Act Relating to Preferential Electricity Rates for Protected Agriculture.

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

SECTION 1. The legislature finds that it is the policy of the State to promote the increased production of fruits and vegetables for local consumption. The legislature also finds that protected agriculture, a term that encompasses a variety of crop production technologies and techniques that use partial or full control of a plant's micro-climate to target the particular requirements of the species, helps overcome local pests and weather pressures that negatively impact agriculture in the State. When properly managed, protected agriculture allows for more efficient use of water and fertilizer while also reducing the need for pesticides and herbicides.

The legislature further finds that protected agriculture aligns with the federal Food and Drug Administration's Food Safety Modernization Act, P.L. 111-353, by producing fruits and vegetables in a safe and optimum environment. However, without a preferential rate for electricity, protected agriculture cannot economically produce the quantities of fruits and vegetables needed to advance Hawaii's sustainability initiatives.

The purpose of this Act is to authorize the public utilities commission to establish preferential electricity rates for agricultural activities that utilize protected agriculture to produce fruits or vegetables for distribution.

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

“§269- Preferential electricity rates; protected agriculture. (a) The public utilities commission may establish preferential electricity rates for agricultural activities that utilize protected agriculture to produce fruits or vegetables for distribution; provided that the protected agriculture includes reasonable efforts to incorporate cost-effective renewable energy sources and energy efficiency measures.

(b) In considering preferential rates, the public utilities commission shall ensure that any subsidization being paid by other customers is limited and reasonable and shall periodically review and adjust the rate, if necessary.

(c) A public utility shall provide a request for preferential electricity rates to the public utilities commission for approval upon receipt of:

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- (1) A bona fide request for preferential electricity rates for agricultural activities that utilize protected agriculture to produce fruits or vegetables for distribution; and
- (2) Proof that the fruits or vegetables cited in the request are produced in a manner consistent with this section.
- (d) For purposes of this section, “protected agriculture” means any crop production technologies or techniques that partially or fully control a plant’s micro-climate to target the particular requirements of the species; provided that the term shall not include agricultural activities that produce medical cannabis.”

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

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect on July 1, 2019.

(Approved July 2, 2019.)

Note

1. Edited pursuant to HRS §23G-16.5.