H.B. NO. ²⁵⁵⁰ H.D. 2 S.D. 2

C.D. 1

A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

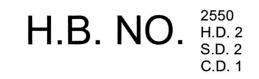
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii is especially 2 vulnerable to the volatility in global oil markets. In November 3 2007, oil prices reached \$100 per barrel. Electric utilities 4 will shift these high fuel costs to electric utility consumers 5 in the form of higher electric utility rates. For example, 6 residential electric rates on Kauai could reach as high as 50 7 cents per kilowatt hour.

8 The legislature finds that net energy metering may encourage more customers to seek to become eligible customer-9 10 generators to take advantage of the month-to-month carryover of 11 unused credits associated with the production of excess 12 customer-generated electricity. Furthermore, the legislature finds that amending the net energy metering statute will signal 13 14 to the public that the legislature intends that electricity generated by residential and small commercial customer-15 16 generators should play a significant role in the State's net 17 energy metering effort.

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1 The purpose of this Act is to enhance Hawaii's net energy metering statute by providing that every electric utility shall 2 3 reserve a portion of the utility's net energy metering component 4 for electricity generated by eligible residential and small 5 commercial customer-generators. The legislature intends that 6 the reserved portion of the utility's net energy metering 7 component shall be of a percentage sufficient to encourage residential and small commercial customer-generators to adopt 8 9 renewable energy technologies that are eligible under Hawaii's 10 net energy metering statute.

SECTION 2. Section 269-102, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

13 "(a) Every electric utility shall develop a standard contract or tariff providing for net energy metering and shall 14 make this contract available to eligible customer-generators, 15 upon request, on a first-come-first-served basis until the time 16 17 that the total rated generating capacity produced by eligible 18 customer-generators equals .5 per cent of the electric utility's 19 system peak demand; provided that the public utilities 20 commission may [increase,] modify, by rule or order, the total 21 rated generating capacity produced by eligible customer-

22 generators [to an amount above .5 per cent of the electric



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1	utility's	system peak demand.]; provided further that the public
2	utilities commission shall ensure that a percentage of the total	
3	rated generating capacity produced by eligible customer-	
4	generators shall be reserved for electricity produced by	
5	eligible :	residential or small commercial customer-generators.
6	The public	c utilities commission may define, by rule or order,
7	the maximu	um capacity for eligible residential or small
8	commercial	l customer-generators. Notwithstanding the generating
9	capacity :	requirements of this subsection, the public utilities
10	commission may evaluate, on an island-by-island basis, the	
11	applicability of the generating capacity requirements of this	
12	subsection	n and, in its discretion, may exempt an island or a
13	utility g	rid system from the generating capacity requirements."
14	SECT	ION 3. The public utilities commission shall submit a
15	report to	the legislature of the following, if available:
16	(1)	Any rules, decisions, or orders submitted by the
17		public utilities commission regarding the total rated
18		generating capacity produced by eligible customer-
19		generators;
20	(2)	Any rules, decisions, or orders submitted by the
21		public utilities commission regarding the maximum



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1	capacity for eligible residential or small commercial
2	customer-generators; and
3	(3) Any results regarding the public utilities
4	commission's evaluation of the applicability of the
5	generating capacity requirements on an island-by-
6	island basis, and any decisions to exempt an island or
7	a utility grid system from the generating capacity
8	requirements.
9	The report shall also include any recommendations or proposed
10	legislation, and be submitted no later than twenty days prior to
11	the convening of the 2009 regular session.
12	SECTION 4. Statutory material to be repealed is bracketed
13	and stricken. New statutory material is underscored.
14	SECTION 5. This Act shall take effect upon its approval.



H.B. NO. 2550 H.D. 2 S.D. 2 C.D. 1

Report Title:

Public Utilities; Net Energy Metering

Description:

Requires the public utilities commission to ensure that a percentage of the total rated generating capacity produced by eligible customer-generators be reserved for electricity produced by eligible residential or small commercial customergenerators. Allows public utilities commission to define the maximum capacity for eligible residential or small commercial customer-generators and to evaluate, on an island-by-island basis, the applicability of the generating capacity requirements and, in its discretion, exempt an island or a utility grid system from the generating capacity requirements. (HB2550 CD1)

