S.B. NO. <sup>3001</sup> S.D. 2 H.D. 2 C.D. 1

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# A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

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

1	SECTION 1. The purpose of this Act is to clarify chapter
2	269, part VII, Hawaii Revised Statutes, relating to the
3	administration and use of moneys supporting energy-efficiency
4	and demand-side management programs and services.
5	SECTION 2. Chapter 269, part VII, Hawaii Revised Statutes,
6	is amended to read as follows:
7	"[ <del>{</del> ]PART VII. PUBLIC BENEFITS [ <del>FUND]</del> ] <u>FEE</u>
8	[ <del>[</del> ]§269-121[ <del>]</del> ] Public benefits [ <del>fund;</del> ] <u>fee</u> authorization.
9	(a) The public utilities commission, by order or rule, may
10	[ <del>redirect</del> ] require that all or a portion of the [ <del>funds</del> ] moneys
11	collected by Hawaii's electric utilities from its ratepayers
12	through [ <del>the current</del> ] <u>a</u> demand-side management surcharge [ <del>by</del>
13	Hawaii's cleetric utilities into a public benefits fund that may
14	be established by the public utilities commission.] be
15	transferred to a third-party administrator contracted by the
16	public utilities commission. The moneys transferred shall be
17	known as the public benefits fee.

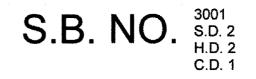


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1	(b) [If the public utilities commission establishes a
2	public benefits fund, the surcharge shall be known as the public
3	benefits fee. Moneys in the fund shall be ratepayer funds that]
4	The public benefits fee shall be used to support energy-
5	efficiency and demand-side management programs and services,
6	subject to the review and approval of the public utilities
7	commission. These moneys shall not be available to meet any
8	current or past general obligations of the State[+]; provided
9	that the State may participate in any energy-efficiency or
10	demand-side management programs and services on the same basis
11	as any other electric consumer.
12	(c) Nothing in this section shall create or be construed
13	to cause the public benefits fee to be considered state or
14	public moneys subject to appropriation by the legislature or be
15	required to be deposited into the state treasury.
16	[+]§269-122[+] Public benefits [ <del>fund</del> ] <u>fee</u> administrator;
17	establishment. (a) [If the] The public utilities commission
18	[establishes a public benefits fund, the public utilities
19	commission shall appoint a fund] may contract with a third-party
20	administrator, to operate and manage any programs established
21	under section 269-121. The administrator shall not be deemed to
22	be a "governmental body" as defined in section 103D-104;
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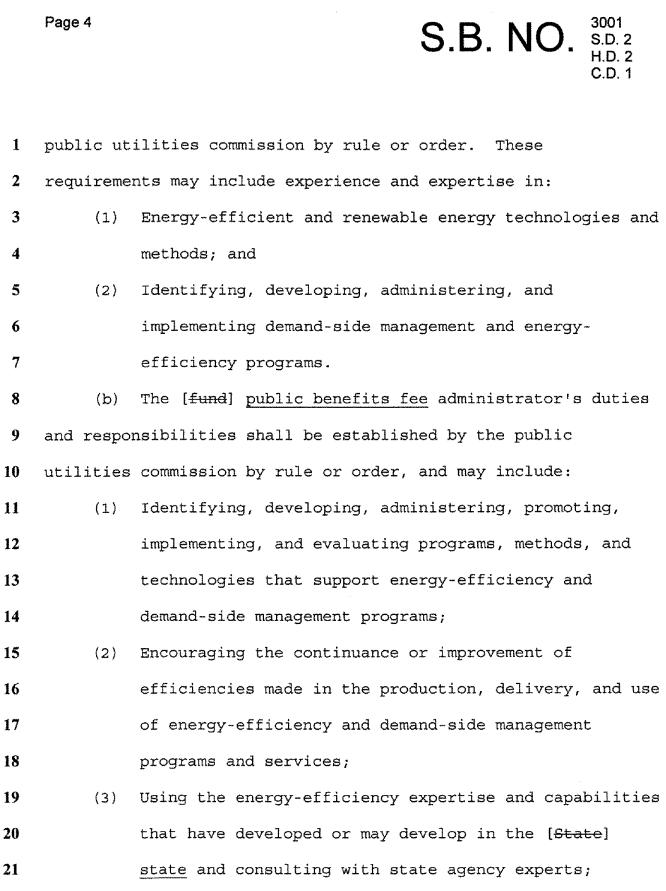


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1	provided that all moneys transferred to the third-party
2	administrator shall be comprised solely of public benefit fees
3	collected pursuant to section 269-121. The [fund] administrator
4	shall not expend more than ten per cent of the [fund] collected
5	public benefits fees in any fiscal year, or other reasonable
6	percentage determined by the public utilities commission, for
7	administration of the programs established under section
8	269-121.
9	(b) The [ <del>fund</del> ] public benefits fee administrator shall be
10	subject to regulation by the public utilities commission[-
11	including pursuant to] under any provision applicable to a
12	public utility in sections 269-7, 269-8, 269-8.2, 269-8.5,
13	269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall
14	report to the public utilities commission on a regular basis.
15	Notwithstanding any other provision of law to the contrary, the
16	[fund] public benefits fee administrator shall not be an
17	electric public utility or an electric public utility affiliate.
18	[-[]§269-123[-]] Requirements for the public benefits [fund]
19	fee administrator. (a) Any [fund] public benefits fee
20	administrator [appointed] contracted pursuant to section 269-122
21	shall satisfy the qualification requirements established by the

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1	(4)	Promoting program initiatives, incentives, and market
2		strategies that address the needs of persons facing
3		the most significant barriers to participation;
4	(5)	Promoting coordinated program delivery, including
5		coordination with electric public utilities regarding
6		the delivery of low-income home energy assistance,
7		other demand-side management or energy-efficiency
8		programs, and any utility programs;
9	(6)	Consideration of innovative approaches to delivering
10		demand-side management and energy-efficiency services,
11		including strategies to encourage [third party] third-
12		party financing and customer contributions to the cost
13		of demand-side management and energy-efficiency
14		services; and
15	(7)	Submitting, to the public utilities commission for
16		review and approval, a multi-year budget and planning
17		cycle that promotes program improvement, program
18		stability, and maturation of programs and delivery
19		resources.
20	[ <del>+</del> ] \$:	269-124[ <del>]</del> ] Transitioning from utility demand-side
21	managemen	t programs to the public benefits [fund-] fee. If the
22	public ut:	ilities commission establishes a public benefits [fund]
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fee pursuant to section 269-121, the public utilities commission 1 2 shall: 3 (1)Develop a transition plan that ensures that: Utility demand-side management programs are 4 (A) continued, to the extent practicable, until the 5 transition date; and 6 7 (B) The [fund] public benefits fee administrator will be able to provide demand-side management and 8 9 energy-efficiency services on the transition 10 date; Encourage programs that allow all retail electricity 11 (2)customers, including state and county agencies, 12 regardless of the retail electricity or gas provider, 13 14 to have an opportunity to participate in and benefit 15 from a comprehensive set of cost-effective demand-side management and energy-efficiency programs and 16 17 initiatives designed to overcome barriers to 18 participation; 19 (3)Encourage programs, measures, and delivery mechanisms 20 that reasonably reflect current and projected utility integrated resource planning, market conditions, 21 technological options, and environmental benefits; 22

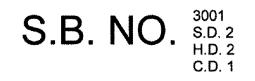
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1 (4)Facilitate the delivery of these programs as rapidly 2 as possible, taking into consideration the need for 3 these services and cost-effective delivery mechanisms; (5) Consider the unique geographic location of the [State] 4 state and the high costs of energy in developing 5 programs that will promote technologies to advance 6 7 energy efficiency and use of renewable energy and permit the [State] state to take advantage of 8 9 activities undertaken in other states, including the 10 opportunity for multi-state programs; Require the [fund] public benefits fee administrator 11 (6) [appointed] contracted by the public utilities 12 commission under section 269-122 to deliver programs 13 in an effective, efficient, timely, and competent 14 15 manner and to meet standards that are consistent with 16 state policy and public utilities commission policy; 17 and 18 (7) Before January 2, 2008, and every three years

19 thereafter, require verification by an independent 20 auditor of the reported energy and capacity savings 21 and incremental renewable energy production savings 22 associated with the programs delivered by the [fund]





1	public benefits fee administrator [appointed]
2	contracted by the public utilities commission to
3	deliver energy-efficiency and demand-side management
4	programs under section 269-121."
5	SECTION 3. Statutory material to be repealed is bracketed
6	and stricken. New statutory material is underscored.
7	SECTION 4. This Act shall take effect on July 1, 2008.

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Report Title: Energy Efficiency; Public Benefits

#### Description:

Clarifies provisions of chapter 269, part VII, Hawaii Revised Statutes, relating to the administration and use of moneys supporting energy-efficiency and demand-side management programs and services and the status of the public benefits fee administrator. (CD1)

