

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO PHOTOVOLTAIC ENERGY.

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

1           SECTION 1. The legislature finds that a commitment to  
2 fostering greater use of sustainable energy resources and energy  
3 efficient technology and products is necessary to ensure the  
4 preservation and protection of our environment and natural  
5 resources. Currently, tax credits are offered to Hawaii  
6 residents who install and place in service photovoltaic energy  
7 systems. However, the market for grid-connected photovoltaic  
8 systems is extremely limited.

9           The legislature further finds that the initial cost of  
10 installing a photovoltaic energy system is high, which deters  
11 home and business owners from investing in this type of  
12 renewable energy. Providing a rebate program for qualifying  
13 installations will help minimize the initial costs and encourage  
14 citizens and businesses to invest in photovoltaic energy  
15 systems. Therefore, the State will preserve and protect our  
16 environment through sustainable, renewable energy sources by



1 reducing greenhouse gas emissions and creating greater energy  
2 security.

3 The purpose of this Act is to reduce greenhouse gas  
4 emissions and raise public awareness of renewable energy by  
5 establishing a photovoltaic rebate program to all grid-connected  
6 residential, community-center, and small business utility  
7 customers within electric utility service areas.

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

11 "§269- Photovoltaic rebate program; establishment. (a)

12 There is established a photovoltaic rebate program to be  
13 established and administered by the public utilities commission.

14 The commission shall require Hawaiian Electric Company, Hawaii  
15 Electric Light Company, Maui Electric Company, and Kauai Island  
16 Utility Cooperative to offer a rebate to all grid-connected  
17 residential, community center, and small business utility  
18 customers within each respective utility service area.

19 (b) To qualify for the photovoltaic rebate program,  
20 applicants shall demonstrate compliance with the following  
21 requirements:



1       (1) Electric service is provided to the applicant by  
2       Hawaiian Electric Company, Hawaii Electric Light  
3       Company, Maui Electric Company, or Kauai Island  
4       Utility Cooperative;

5       (2) The photovoltaic energy system shall be installed by a  
6       participating licensed contractor who possesses a C-13  
7       license;

8       (3) The system being installed shall be new, unused, and  
9       meet hardware and installation standards defined by  
10       the commission;

11       (4) The system being installed shall have a five-year  
12       warranty provided by the system retailer, with system  
13       components meeting national standards; and

14       (5) The system shall be installed with a performance  
15       meter.

16       (c) A rebate of \$4 per watt/DC of photovoltaic cells shall  
17       be available for residential and small commercial systems and a  
18       rebate of \$4.50 per watt/DC of photovoltaic cells shall be  
19       available for nonprofit organizations.

20       (d) The rebate shall be capped at the following maximum  
21       amounts:

22       (1) \$10,000 for each residential system installed;

- 1        (2) \$20,000 for each system installed for a nonprofit
- 2                organization; and
- 3        (3) \$50,000 for each small commercial system installed.
- 4        (e) The public utilities commission shall adopt rules
- 5 pursuant to chapter 91 necessary to carry out the purposes of
- 6 this section."

7                SECTION 3. There is appropriated out of the general

8 revenues of the State of Hawaii the sum of \$                , or so

9 much thereof as may be necessary for fiscal year 2007-2008, and

10 the same sum, or so much thereof as may be necessary for fiscal

11 year 2008-2009, for the issuance of rebates pursuant to the

12 photovoltaic rebate program, to be matched by ratepayer funding

13 from Hawaiian Electric Company, Hawaii Electric Light Company,

14 Maui Electric Company, and Kauai Island Utility Cooperative.

15                The sums appropriated shall be expended by the public

16 utilities commission for the purposes of this Act.

17                SECTION 4. New statutory material is underscored.

18                SECTION 5. This Act shall take effect on July 1, 2007, and

19 shall be repealed on June 30, 2012.

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**Report Title:**

Photovoltaic Rebate Program; Renewable Energy

**Description:**

Establishes a photovoltaic rebate program to all grid-connected residential, community-center, and small business utility customers within electric utility service areas.

