
A BILL FOR AN ACT

RELATING TO ENERGY RESOURCES.

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

PART I

RENEWABLE PORTFOLIO STANDARDS

SECTION 1. Chapter 196, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§196-_____ New electrical generation facility; permit prohibition. No state or county agency shall issue a permit to any applicant for the construction or operation of a new electrical generation facility that produces electrical energy solely from the combustion of any type of fossil fuel; provided that, under extraordinary circumstances, as determined by the commission, a certificate may be issued."

SECTION 2. Section 269-7.5, Hawaii Revised Statutes, is amended to read as follows:

"§269-7.5 Certificates of public convenience and necessity. (a) No public utility, as defined in section 269-1, shall commence its business without first having obtained from



1 the commission a certificate of public convenience and
2 necessity. Applications for certificates shall be made in
3 writing to the commission and shall comply with the requirements
4 prescribed in the commission's rules. The application shall
5 include ~~[the]~~:

6 (1) The type of service to be performed~~[, the]~~;

7 (2) The geographical scope of the operation~~[, the]~~;

8 (3) The type of equipment to be employed in the service~~[, the]~~;

10 (4) The name of competing utilities for the proposed
11 service~~[, a]~~;

12 (5) A statement of its financial ability to render the
13 proposed service~~[, a]~~;

14 (6) A current financial statement of the applicant~~[,]~~; and

15 (7) ~~[the]~~ The rates or charges proposed to be charged
16 including the rules governing the proposed service.

17 (b) If the applicant for a certificate of public
18 convenience and necessity has any known consumers or patrons at
19 the time of the filing of the application, the applicant shall
20 notify these consumers or patrons of the rates and charges
21 proposed to be established by the application; provided that:



1 (1) The notice shall be mailed to the last known address
2 of the consumer or patron on file with the applicant
3 or the applicant's affiliates; and

4 (2) The manner and the fact of the notification shall be
5 reported to the commission,

6 within seven days from the filing of the application.

7 (c) A certificate shall be issued to any qualified
8 applicant, authorizing the whole or any part of the operations
9 covered by the application, if it is found that the applicant is
10 fit, willing, and able properly to perform the service proposed
11 and to conform to the terms, conditions, and rules adopted by
12 the commission, and that the proposed service is, or will be,
13 required by the present or future public convenience and
14 necessity; otherwise the application shall be denied. Any
15 certificate issued shall specify the service to be rendered and
16 there shall be attached to the exercise of the privileges
17 granted by the certificate at the time of issuance and from time
18 to time thereafter, such reasonable conditions and limitations
19 as a public convenience and necessity may require. The
20 reasonableness of the rates, charges, and tariff rules proposed
21 by the applicant shall be determined by the commission during
22 the same proceeding examining the present and future



1 conveniences and needs of the public and qualifications of the
2 applicant, in accordance with the standards set forth in section
3 269-16.

4 (d) No public utility that holds a franchise or charter
5 enacted or granted by the legislative or executive authority of
6 the State or its predecessor governments, or that has a bona
7 fide operation as a public utility heretofore recognized by the
8 commission, shall be required to obtain a certificate of public
9 convenience and necessity under this section.

10 (e) Any certificate, upon application of the holder and at
11 the discretion of the public utilities commission, may be
12 amended, suspended, or revoked, in whole or in part. The
13 commission after notice and hearing may suspend, amend, or
14 revoke any certificate in part or in whole, if the holder is
15 found to be in wilful violation of any of the provisions of this
16 chapter or with any lawful order or rule of the commission
17 adopted thereunder, or with any term, condition, or limitation
18 of the certificate.

19 (f) No certificate shall be issued to any applicant for
20 the construction or operation of a new electrical generation
21 facility that produces electrical energy solely from the
22 combustion of any type of fossil fuel; provided that, under



1 extraordinary circumstances, as determined by the commission, a
2 certificate may be issued."

3 SECTION 3. Section 269-91, Hawaii Revised Statutes, is
4 amended by amending the definitions of "renewable electrical
5 energy" and "renewable energy" to read as follows:

6 "Renewable electrical energy" means:

- 7 (1) Electrical energy generated using renewable energy as
8 the source;
- 9 (2) Electrical energy savings brought about by the use of
10 renewable displacement or off-set technologies,
11 including solar water heating, sea-water air-
12 conditioning district cooling systems, solar air-
13 conditioning, and customer-sited, grid-connected
14 renewable energy systems; provided that, beginning
15 January 1, 2015, electrical energy savings shall not
16 count toward renewable energy portfolio standards; or
- 17 [+] (3) [+] Electrical energy savings brought about by the use of
18 energy efficiency technologies, including heat pump
19 water heating, ice storage, ratepayer-funded energy
20 efficiency programs, and use of rejected heat from co-
21 generation and combined heat and power systems,
22 excluding fossil-fueled qualifying facilities that



1 sell electricity to electric utility companies and
2 central station power projects[-]; provided that
3 beginning January 1, 2015, electrical energy savings
4 shall not count toward renewable energy portfolio
5 standards. Beginning January 1, 2015, electrical
6 energy savings shall not include customer-sited grid-
7 connected photovoltaic systems.

8 "Renewable energy" means energy generated or produced
9 ~~[utilizing]~~ using the following sources:

- 10 (1) Wind;
- 11 (2) The sun;
- 12 (3) Falling water;
- 13 (4) Biogas, including landfill and sewage-based digester
14 gas;
- 15 (5) Geothermal;
- 16 (6) Ocean water, currents and waves[+], including ocean
17 thermal energy conversion;
- 18 (7) Biomass, including biomass crops, agricultural and
19 animal residues and wastes, and ~~[municipal]~~ solid
20 waste;
- 21 (8) Biofuels; and
- 22 (9) Hydrogen produced from renewable energy sources."



SECTION 4. Section 269-92, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) Each electric utility company that sells electricity for consumption in the ~~[State]~~ state shall establish a renewable portfolio standard of:

(1) Ten per cent of its net electricity sales by December 31, 2010;

(2) Fifteen per cent of its net electricity sales by December 31, 2015; ~~[and]~~

(3) ~~[Twenty]~~ Twenty-five per cent of its net electricity sales by December 31, 2020~~[-]~~; and

(4) Forty per cent of its net electricity sales by December 31, 2030.

(b) The public utilities commission may establish standards for each utility that prescribe what portion of the renewable portfolio standards shall be met by specific types of renewable ~~[electrical]~~ energy resources; provided that:

(1) ~~[At]~~ Prior to January 1, 2015, at least fifty per cent of the renewable portfolio standards shall be met by electrical energy generated using renewable energy as the source~~[+]~~, and after December 31, 2014, the entire



1 renewable portfolio standard shall be met by
2 electrical generation from renewable energy sources;

3 (2) Beginning January 1, 2015, electrical energy savings
4 shall not count toward renewable energy portfolio
5 standards;

6 ~~[(2)]~~ (3) Where electrical energy is generated or displaced
7 by a combination of renewable and nonrenewable means,
8 the proportion attributable to the renewable means
9 shall be credited as renewable energy; and

10 ~~[(3)]~~ (4) Where fossil and renewable fuels are co-fired in
11 the same generating unit, the unit shall be considered
12 to generate renewable electrical energy (electricity)
13 in direct proportion to the percentage of the total
14 heat value represented by the heat input value of the
15 renewable fuels."

16 SECTION 5. Section 269-95, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§269-95 Renewable portfolio standards study.** The public
19 utilities commission shall:

20 (1) By December 31, 2007, develop and implement a utility
21 ratemaking structure, which may include performance-
22 based ratemaking, to provide incentives that encourage



1 Hawaii's electric utility companies to use cost-
2 effective renewable energy resources found in Hawaii
3 to meet the renewable portfolio standards established
4 in section 269-92, while allowing for deviation from
5 the standards in the event that the standards cannot
6 be met in a cost-effective manner or as a result of
7 events or circumstances, such as described in section
8 269-92(d), beyond the control of the utility that
9 could not have been reasonably anticipated or
10 ameliorated;

11 (2) Gather, review, and analyze empirical data to
12 ~~[determine]~~;

13 (A) Determine the extent to which any proposed
14 utility ratemaking structure would impact
15 electric utility companies' profit margins ~~[and~~
16 ~~to ensure]~~; and

17 (B) Ensure that the electric utility companies'
18 opportunity to earn a fair rate of return is not
19 diminished;

20 (3) ~~[Using]~~ Use funds from the public utilities special
21 fund, contract with the Hawaii natural energy
22 institute of the University of Hawaii to conduct



1 independent studies to be reviewed by a panel of
2 experts from entities such as the United States
3 Department of Energy, National Renewable Energy
4 Laboratory, Electric Power Research Institute, Hawaii
5 electric utility companies, environmental groups, and
6 other similar institutions with the required
7 expertise. These studies shall include findings and
8 recommendations regarding:

9 (A) The capability of Hawaii's electric utility
10 companies to achieve renewable portfolio
11 standards in a cost-effective manner and shall
12 assess factors such as the impact on consumer
13 rates[7]; utility system reliability and
14 stability[7]; costs and availability of
15 appropriate renewable energy resources and
16 technologies[7]; permitting approvals[7]; effects
17 on the economy[7]; balance of trade, culture,
18 community, environment, land, and water[7];
19 climate change policies[7]; demographics[7]; and
20 other factors deemed appropriate by the
21 commission; and



(B) Projected renewable portfolio standards to be set five and ten years beyond the then current standards;

- (4) ~~[Revise]~~ Evaluate the standards every five years, beginning in 2013, and revise the standards based on the best information available at the time ~~[if the results of the studies conflict with]~~ to determine whether the renewable portfolio standards established by section 269-92~~[+]~~ remain achievable; and
- (5) Report its findings and revisions to the renewable portfolio standards, based on its own studies and ~~[those contracted under paragraph (3),]~~ other information to the legislature no later than twenty days before the convening of the regular session of ~~[2009,]~~ 2014, and every five years thereafter."

PART II

ENERGY RESOURCES COORDINATOR

SECTION 6. Section 196-4, Hawaii Revised Statutes, is amended to read as follows:

"**§196-4 Powers and duties.** Subject to the approval of the governor, the coordinator shall:



- 1 (1) Formulate plans, including objectives, criteria to
2 measure accomplishment of objectives, programs through
3 which the objectives are to be attained, and financial
4 requirements for the optimum development of Hawaii's
5 energy resources;
- 6 (2) Conduct systematic analysis of existing and proposed
7 energy resource programs, evaluate the analysis
8 conducted by government agencies and other
9 organizations and recommend to the governor and to the
10 legislature programs [~~which~~] that represent the most
11 effective allocation of resources for the development
12 of energy sources;
- 13 (3) Formulate and recommend specific proposals, as
14 necessary, for conserving energy and fuel, including
15 the allocation and distribution thereof, to the
16 governor and to the legislature;
- 17 (4) Assist public and private agencies in implementing
18 energy conservation and related measures;
- 19 (5) Coordinate the State's energy conservation and
20 allocation programs with [~~that~~] those of the federal
21 government, other state governments, governments of



- 1 nations with interest in common energy resources, and
2 the political subdivisions of the State;
- 3 (6) Develop programs to encourage private and public
4 exploration and research of alternative energy
5 resources [~~which~~] that will benefit the State;
- 6 (7) Conduct public education programs to inform the public
7 of the energy situation as may exist from time to time
8 and of the government actions taken thereto;
- 9 (8) Serve as consultant to the governor, public agencies,
10 and private industry on matters related to the
11 acquisition, [~~utilization~~] use, and conservation of
12 energy resources;
- 13 (9) Contract for services when required for implementation
14 of this chapter;
- 15 (10) Review proposed state actions [~~which~~] that the
16 coordinator finds to have significant effect on energy
17 consumption and report to the governor their effect on
18 the energy conservation program, and perform [~~such~~]
19 other services as may be required by the governor and
20 the legislature;
- 21 (11) Prepare and submit an annual report and [~~such~~] other
22 reports as may be requested to the governor and to the



1 legislature on the implementation of this chapter and
2 all matters related to energy resources; ~~[and]~~

3 (12) Formulate a systematic process, including the
4 development of requirements, to identify geographic
5 areas that contain renewable energy resource potential
6 that may be developed in a cost-effective and
7 environmentally benign manner and designate these
8 areas as renewable energy zones;

9 (13) Develop and recommend incentive plans and programs to
10 encourage the development of renewable energy resource
11 projects within the renewable energy zones;

12 (14) Assist public and private agencies in identifying the
13 utility transmission projects or infrastructure that
14 are required to accommodate and facilitate the
15 development of renewable energy resources;

16 (15) Assist public and private agencies, in coordination
17 with the department of budget and finance, in
18 accessing use of special purpose revenue bonds to
19 finance the engineering, design, and construction of
20 transmission projects and infrastructure that are
21 deemed critical to the development of renewable energy
22 resources;



(16) Develop the criteria or requirements for identifying and qualifying specific transmission projects or infrastructure that are critical to the development of renewable energy resources and for which the energy resources coordinator shall assist in accessing the use of special purpose revenue bonds to finance; and

[~~(12)~~] (17) Adopt rules for the administration of this chapter pursuant to chapter 91[~~7~~]; provided that the rules shall be submitted to the legislature for review."

PART III

RENEWABLE ENERGY RESOURCES

SECTION 7. Section 209E-2, Hawaii Revised Statutes, is amended by amending the definition of "qualified business" to read as follows:

"Qualified business" means any corporation, partnership, or sole proprietorship authorized to do business in the ~~[State]~~ state that is qualified under section 209E-9, subject to the state corporate or individual income tax under chapter 235, and is:



- 1 (1) Engaged in manufacturing, the wholesale sale of
2 tangible personal property as defined in section 237-
3 4, or a service business as defined in this chapter;
- 4 (2) Engaged in producing agricultural products where the
5 business is a producer as defined in section 237-5, or
6 engaged in processing agricultural products, all or
7 some of which were grown within an enterprise zone;
- 8 (3) Engaged in research, development, sale, or production
9 of all types of genetically-engineered medical,
10 agricultural, or maritime biotechnology products; or
- 11 (4) Engaged in ~~[producing electric power from wind energy~~
12 ~~for sale primarily to a public utility company for~~
13 ~~resale to the public.]~~ the development or production
14 of fuels, thermal energy, or electrical energy from
15 renewable resources, including:
- 16 (A) Wind;
17 (B) The sun;
18 (C) Falling water;
19 (D) Biogas, including landfill and sewage-based
20 digester gas;
21 (E) Geothermal;



- 1 (F) Ocean water, currents, and waves, including ocean
2 thermal energy conversion;
3 (G) Biomass, including biomass crops, agriculture and
4 animal residues and wastes, and solid waste;
5 (H) Biofuels; and
6 (I) Hydrogen produced from renewable energy sources."

PART IV

RENEWABLE ENERGY FACILITATOR

9 SECTION 8. Section 201-12.5, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) The renewable energy facilitator shall have the
12 following duties:

- 13 (1) Facilitate the efficient permitting of renewable
14 energy projects[+], including:

- 15 (A) The land parcel on which the facility is
16 situated;
17 (B) Any renewable energy production structure or
18 equipment;
19 (C) Any energy transmission line from the facility to
20 a public utility's electricity system; and



1 (D) Any on-site infrastructure necessary for the
2 production of electricity or biofuel from the
3 renewable energy site;

4 (2) Initiate the implementation of key renewable energy
5 projects by permitting various efficiency improvement
6 strategies identified by the department;

7 (3) Administer the day-to-day coordination for renewable
8 energy projects on behalf of the department and the
9 day-to-day operations of the renewable energy facility
10 siting process established in [~~Act 207, Session Laws~~
11 ~~of Hawaii 2008,]~~ chapter 201N; and

12 (4) Submit periodic reports to the legislature on
13 renewable energy facilitation activities and the
14 progress of the renewable energy facility siting
15 process."

16 PART V

17 RENEWABLE ENERGY PERMITTING

18 SECTION 9. Section 201N-1, Hawaii Revised Statutes, is
19 amended by amending the definition of "renewable energy
20 facility" or "facility" to read as follows:

21 "Renewable energy facility" or "facility" means a new
22 facility located in the [~~State~~] state with the capacity to



1 produce from renewable energy [~~at least~~] between five megawatts
2 and two hundred megawatts of electricity[+], or a biofuel
3 production facility with a capacity to produce one million
4 gallons annually. The term includes any of the following
5 associated with the initial permitting and construction of the
6 facility:

- 7 (1) The land parcel on which the facility is situated;
- 8 (2) Any renewable energy production structure or
9 equipment;
- 10 (3) Any energy transmission line from the facility to a
11 public utility's electricity transmission or
12 distribution system;
- 13 (4) Any on-site infrastructure; and
- 14 (5) Any on-site building, structure, other improvement, or
15 equipment necessary for the production of electricity
16 or biofuel from the renewable energy site,
17 transmission of the electricity or biofuel, or any
18 accommodation for employees of the facility."

19 SECTION 10. Section 201N-4, Hawaii Revised Statutes, is
20 amended by amending subsection (g) to read as follows:

21 "(g) Each appropriate state and county agency shall
22 diligently endeavor to process and approve or deny any permit in



1 the permit plan no later than twelve months after a completed
2 permit plan application is approved by the coordinator. If a
3 permit is not approved or denied within twelve months after
4 approval of a completed permit plan application, the permitting
5 agency, within thirty days following the end of the twelve-month
6 period, shall provide the coordinator with a report identifying
7 diligent measures that are being taken by the agency to complete
8 processing and action as soon as practicable. If a permitting
9 agency fails to provide this report and if the permit has not
10 been approved or denied within eighteen months following the
11 approval of a completed permit plan application by the
12 coordinator, the permit shall be deemed approved."

13 PART VI

14 ENERGY EFFICIENCY PORTFOLIO STANDARDS

15 SECTION 11. In January 2008, the United States Department
16 of Energy and the State of Hawaii signed a Memorandum of
17 Understanding to strengthen cooperation to implement clean
18 energy technologies that will increase energy efficiency and
19 maximize use of the state's vast and abundant renewable
20 resources. The legislature finds that the establishment of this
21 long-term partnership, called the Hawaii Clean Energy Initiative
22 is designed to transform Hawaii's energy system into one that



1 uses renewable energy and energy-efficient technologies for a
2 significant portion of its energy needs. The partnership aims
3 to put Hawaii on a path to supply seventy per cent of its energy
4 needs using clean energy by 2030, which can significantly reduce
5 Hawaii's current crude oil consumption. The legislature further
6 finds that this type of clean energy transformation will help to
7 stabilize and strengthen Hawaii's economy by reducing its
8 dependency on imported fossil fuels and enhance its environment
9 by sharply reducing greenhouse gas emissions.

10 As a leader in clean energy technologies, the legislature
11 finds that the United States Department of Energy is working
12 with the State of Hawaii to further the potential of its natural
13 resources, including wind, sun, and bioenergy resources, and
14 engage experts in clean energy technology development to help
15 Hawaii to launch projects with public and private sector
16 partners that target opportunities and critical needs for
17 Hawaii's transition to a clean energy economy, including:

18 (1) Designing cost-effective approaches for the exclusive
19 use of renewable energy on smaller islands;

20 (2) Designing systems to improve the stability of electric
21 grids operating with variable generating sources, such



1 as wind power plants on the islands of Hawaii and
2 Maui;

3 (3) Minimizing energy use while maximizing energy
4 efficiency and renewable energy technologies at new
5 large military housing developments;

6 (4) Expanding Hawaii's capability to use locally grown
7 crops and byproducts for producing fuel and
8 electricity; and

9 (5) Assisting in the development of comprehensive energy
10 regulatory and policy frameworks for promoting clean
11 energy technology use.

12 The legislature further finds that similar to the strategy
13 of establishing a renewable energy portfolio standard, an energy
14 efficiency portfolio standard sets a target of electricity use
15 reduction to be achieved in incremental stages as end-use energy
16 efficiency programs can make a significant and cost-effective
17 contribution to achieving the goals and objectives of the Hawaii
18 Clean Energy Initiative.

19 The purpose of this part is to maximize cost-effective
20 energy efficiency programs and technologies through the
21 establishment of an energy efficiency portfolio standard to



1 achieve electricity use reductions to the maximum extent
2 feasible.

3 SECTION 12. Chapter 269, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§269- Energy efficiency portfolio standards. (a) The
7 public utilities commission shall establish energy efficiency
8 portfolio standards that will maximize cost-effective energy
9 efficiency programs and technologies.

10 (b) The energy efficiency portfolio standards shall be
11 designed to achieve four thousand three hundred gigawatt hours
12 of electricity use reductions statewide by 2030; provided that
13 the commission shall establish interim goals for electricity use
14 reduction to be achieved by 2015, 2020, and 2025, and may also
15 adjust the 2030 standard by rule or order to maximize cost-
16 effective energy efficiency programs and technologies.

17 (c) The commission shall establish incentives and
18 penalties based on performance in achieving the energy
19 efficiency portfolio standards by rule or order."

20 PART VII

21 SOLAR WATER HEATER SYSTEM



1 SECTION 13. The purpose of this part is to clarify
2 provisions of Act 204, Session Laws of Hawaii 2008, with respect
3 to variances for solar water heater systems. The legislature
4 finds that the variances provided for in Act 204 will be rarely,
5 if ever, exercised or granted because the burden of proof will
6 lie with the applicant to prove that a solar water heater
7 system, regardless of location or circumstance, is not cost
8 effective in the context of a thirty-year mortgage term. This
9 requires the use of realistic assumptions regarding interest
10 rates, discount rates, inflation rates, and the expected average
11 cost of electricity by island over the thirty-year period,
12 regardless of the cost of electricity, or of oil or some other
13 fossil fuel, at a specific point in time.

14 The legislature also finds that the continuation of the
15 renewable energy income tax credit needs to remain available for
16 all homes built before January 1, 2010.

17 SECTION 14. Section 196-6.5, Hawaii Revised Statutes, is
18 amended by amending subsections (a) and (b) to read as follows:

19 "(a) On or after January 1, 2010, no building permit shall
20 be issued for a new single-family dwelling that does not include
21 a solar water heater system that meets the standards established
22 pursuant to section 269-44, unless the energy resources



1 coordinator approves a variance. A variance application shall
2 only be [~~approved~~] accepted if submitted by an architect or
3 mechanical engineer licensed under chapter 464, who attests
4 that:

5 (1) Installation is impracticable due to poor solar
6 resource;

7 (2) Installation is cost-prohibitive based upon a life
8 cycle cost-benefit analysis that incorporates the
9 average residential utility bill and the cost of the
10 new solar water heater system with a life cycle that
11 does not exceed fifteen years;

12 (3) A [~~substitute~~] renewable energy technology system, as
13 defined in section 235-12.5, is [~~used~~] substituted for
14 use as the primary energy source for heating water; or

15 (4) A demand water heater device approved by Underwriters
16 Laboratories, Inc., is installed; provided that at
17 least one other gas appliance is installed in the
18 dwelling. For the purposes of this paragraph, "demand
19 water heater" means a gas-tankless instantaneous water
20 heater that provides hot water only as it is needed.

21 (b) A request for a variance shall be submitted to the
22 energy resources coordinator on an application prescribed by the



1 energy resources coordinator and shall include[7] but not be
2 limited to[7] a description of the location of the property and
3 justification for the approval of a variance using the criteria
4 established in subsection (a). A variance shall be deemed
5 approved if not denied within thirty working days after receipt
6 of the variance application. The energy resources coordinator
7 shall publicize:

8 (1) All applications for a variance within seven days
9 after receipt of the variance application; and

10 (2) The disposition of all applications for a variance
11 within seven days of the determination of the variance
12 application."

13 SECTION 15. Section 235-12.5, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) When the requirements of subsection (c) are met, each
16 individual or corporate taxpayer that files an individual or
17 corporate net income tax return for a taxable year may claim a
18 tax credit under this section against the Hawaii state
19 individual or corporate net income tax. The tax credit may be
20 claimed for every eligible renewable energy technology system
21 that is installed and placed in service in the [State] state by
22 a taxpayer during the taxable year. This credit shall be



1 available for systems installed and placed in service in the
2 [~~State~~] state after June 30, 2003. The tax credit may be
3 claimed as follows:

4 (1) Solar thermal energy systems for:

5 (A) Single-family residential property for which a
6 building permit for a single-family dwelling was
7 issued prior to January 1, 2010: thirty-five per
8 cent of the actual cost or \$2,250, whichever is
9 less;

10 (B) Multi-family residential property: thirty-five
11 per cent of the actual cost or \$350 per unit,
12 whichever is less; and

13 (C) Commercial property: thirty-five per cent of the
14 actual cost or \$250,000, whichever is less;

15 (2) Wind-powered energy systems for:

16 (A) Single-family residential property: twenty per
17 cent of the actual cost or \$1,500, whichever is
18 less[+], unless all or a portion of the system is
19 used to fulfill the substitute renewable energy
20 technology requirement pursuant to section 196-
21 6.5(a)(3), then the credit shall be reduced by



1 twenty per cent of the actual system cost or
2 \$1,500, whichever is less;

3 (B) Multi-family residential property: twenty per
4 cent of the actual cost or \$200 per unit,
5 whichever is less; and

6 (C) Commercial property: twenty per cent of the
7 actual cost or \$500,000, whichever is less; and

8 (3) Photovoltaic energy systems for:

9 (A) Single-family residential property: thirty-five
10 per cent of the actual cost or \$5,000, whichever
11 is less[+], unless all or a portion of the system
12 is used to fulfill the substitute renewable
13 energy technology requirement pursuant to section
14 196-6.5(a)(3), then the credit shall be reduced
15 by thirty-five per cent of the actual system cost
16 or \$2,250, whichever is less;

17 (B) Multi-family residential property: thirty-five
18 per cent of the actual cost or \$350 per unit,
19 whichever is less; and

20 (C) Commercial property: thirty-five per cent of the
21 actual cost or \$500,000, whichever is less;



1 provided that multiple owners of a single system shall be
2 entitled to a single tax credit; and provided further that the
3 tax credit shall be apportioned between the owners in proportion
4 to their contribution to the cost of the system.

5 In the case of a partnership, S corporation, estate, or
6 trust, the tax credit allowable is for every eligible renewable
7 energy technology system that is installed and placed in service
8 in the ~~[State]~~ state by the entity. The cost upon which the tax
9 credit is computed shall be determined at the entity level.

10 Distribution and share of credit shall be determined pursuant to
11 section 235-110.7(a)."

12 SECTION 16. Section 269-44, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "~~[§]~~**§269-44**~~[§]~~ **Solar water heater system standards.** Not
15 later than ~~[July 1, 2009,]~~ _____, or as soon as reasonably
16 practicable, the public utilities commission shall adopt ~~[or~~
17 ~~establish by rule, tariff, or order,]~~ standards for solar water
18 heater systems ~~[to include, but not be limited to,~~
19 ~~specifications for the performance, materials, components,~~
20 ~~durability, longevity, proper sizing, installation, and quality~~
21 ~~to promote the objectives of section 269-124.];~~ provided that
22 the public utilities commission may contract with the public



1 benefits fee administrator for the development of standards that
2 may be adopted by the public utilities commission."

3 PART VIII

4 MISCELLANEOUS

5 SECTION 17. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 18. This Act shall take effect on July 1, 2020.



Report Title:

Renewable Energy; Energy Efficiency.

Description:

Provides for and encourages renewable energy use and development, and energy efficiency. (HB1464 HD3)

