
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 public utilities in
2 Hawaii are required to meet renewable portfolio standards.
3 These standards require twenty per cent of each electric
4 utility's sales to come from renewable energy by 2020. The
5 Hawaii Clean Energy Initiative proposes to increase this
6 renewable energy requirement to forty per cent by 2030.

7 Additionally, the Hawaii Constitution identifies increased
8 agricultural self-sufficiency as being in the public interest.

9 The legislature also finds that renewable energy creates
10 the maximum benefit to the State when it is locally produced.
11 Renewable energy sources that complement the production of
12 agricultural products are especially desirable. These sources
13 provide for food and fiber self-sufficiency while also providing
14 electricity. It is in the interest of the State to encourage
15 the synergy between agricultural production and renewable energy
16 production.

17 The legislature further finds that preferential rates for
18 electrical energy produced in conjunction with agricultural



1 activities, which includes compensation to agricultural energy
2 producers for their costs and a reasonable return on investment,
3 will support the long-term viability of renewable energy
4 produced by agricultural producers. The legislature concludes
5 that this will serve two policy goals of the State:

6 (1) Increased energy self sufficiency; and

7 (2) Increased agricultural sustainability.

8 The purpose of this Act is to authorize and encourage the
9 establishment of preferential rates for renewable energy
10 produced in conjunction with agricultural activities.

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

14 "§269- Preferential renewable energy rates;
15 agricultural activities. It is the policy of the State to
16 promote the long-term viability of agriculture by establishing
17 mechanisms that provide for preferential rates for the purchase
18 of renewable energy produced in conjunction with agricultural
19 activities. The public utilities commission shall have the
20 authority to establish preferential rates for the purchase of
21 renewable energy produced in conjunction with agricultural
22 activities.



1 Upon receipt of a bona fide request for preferential rates
2 for the purchase of renewable energy produced in conjunction
3 with agricultural activities, and proof that the renewable
4 energy is produced in conjunction with agricultural activities,
5 a public utility shall forward the request for preferential
6 rates to the public utilities commission for approval."

7 SECTION 3. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on January 1, 2090.



Report Title:

Renewable Energy; Agricultural Activities; Preferential Rates

Description:

Authorizes preferential rates for the purchase of renewable energy produced in conjunction with agricultural activities. Effective January 1, 2090. (HB591 HD1)

