A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

SECTION 1. The legislature finds that a strong
 agricultural sector is essential for Hawaii's food security and
 can be an integral part of Hawaii's energy security. Long-term
 contracts for biomass production can improve agricultural
 producers' economic position while contributing to Hawaii's
 energy diversification.

7 The purpose of this Act is to require that by 2015, a
8 minimum of two per cent of each utility's renewable portfolio
9 standard be from biofuel or from agricultural producers.

10 SECTION 2. Section 269-92, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The public utilities commission may establish 13 standards for each utility that prescribe what portion of the 14 renewable portfolio standards shall be met by specific types of 15 renewable energy resources; provided that:

16 (1) Prior to January 1, 2015, at least fifty per cent of 17 the renewable portfolio standards shall be met by SB2331 SD1.DOC *SB2331 SD1.DOC* *SB2331 SD1.DOC*

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1	electrical energy generated using renewable energy as
2	the source, and after December 31, 2014, the entire
3	renewable portfolio standard shall be met by
4	electrical generation from renewable energy sources;
5	provided that after December 31, 2014, at least two
6	per cent of the renewable portfolio standard shall be
7	met by electrical energy generated using agricultural
8	energy as the source; provided further that if the
9	electric utility company is unable to meet the
10	agricultural energy requirement due to an insufficient
11	supply of agricultural energy, the electric utility
12	company shall not be required to meet the agricultural
13	energy standard until such time as the supply of
14	agricultural energy is sufficient to meet the two per
15	cent of the renewable portfolio standard requirement.
16	For the purposes of this paragraph, "agricultural
17	energy" includes energy produced:
18	(A) By a biofuel processing facility, as defined in
19	section 205-4.5(a)(15), which is located in the
20	State and produces more than five hundred
21	thousand gallons of biofuel per year;

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1		(B) Using commercial agricultural products or
2		commodities raised, grown, or maintained in the
3		State by a commercial agricultural enterprise
4		that produces more than one million pounds of
5		products or commodities per year; and
6		(C) By a commercial agricultural enterprise that
7		produces more than one million pounds of products
8		or commodities per year;
9	(2)	Beginning January 1, 2015, electrical energy savings
10		shall not count toward renewable energy portfolio
11		standards;
12	(3)	Where electrical energy is generated or displaced by a
13		combination of renewable and nonrenewable means, the
14		proportion attributable to the renewable means shall
15		be credited as renewable energy; and
16	(4)	Where fossil and renewable fuels are co-fired in the
17		same generating unit, the unit shall be considered to
18		generate renewable electrical energy (electricity) in
19		direct proportion to the percentage of the total heat
20		input value represented by the heat input value of the
21		renewable fuels."
22	SECT	ION 3. New statutory material is underscored.

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1 SECTION 4. This Act shall take effect on July 1, 2010.

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Report Title:

Renewable Energy; Agriculture

Description:

Requires that by 2015 a minimum of two per cent of each utility's renewable portfolio standard be from biofuel or from agricultural producers. (SD1)

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