A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

- 1 SECTION 1. Section 269-6, Hawaii Revised Statutes, is
- 2 amended to read as follows:
- 3 "\$269-6 General powers and duties. (a) The public
- 4 utilities commission shall have the general supervision
- 5 hereinafter set forth over all public utilities, and shall
- 6 perform the duties and exercise the powers imposed or conferred
- 7 upon it by this chapter. Included among the general powers of
- 8 the commission is the authority to adopt rules pursuant to
- 9 chapter 91 necessary for the purposes of this chapter.
- 10 (b) The public utilities commission shall consider the
- 11 need to reduce the State's reliance on fossil fuels through
- 12 energy efficiency and increased renewable energy generation in
- 13 exercising its authority and duties under this chapter. In
- 14 making determinations of the reasonableness of the costs of
- 15 utility system capital improvements and operations, the
- 16 commission shall explicitly consider, quantitatively or
- 17 qualitatively, the effect of the State's reliance on fossil
- fuels on price volatility, export of funds for fuel imports, 2012-1644 HB425 SD1 SMA.doc



- 1 fuel supply reliability risk, and greenhouse gas emissions. The
- 2 commission may determine that short-term costs or direct costs
- 3 that are higher than alternatives relying more heavily on fossil
- 4 fuels are reasonable, considering the impacts resulting from the
- 5 use of fossil fuels.
- 6 (c) In exercising its authority and duties under this
- 7 chapter, the public utilities commission shall consider the
- 8 costs and benefits of a diverse energy portfolio and of
- 9 maximizing the efficiency of all electric utility assets to
- 10 lower and stabilize the cost of electricity. Nothing in this
- 11 section shall subvert the obligation of electric utilities to
- 12 meet the renewable portfolio standards set forth in section
- **13** 269-92.
- 14 $\left[\frac{(c)}{(c)}\right]$ (d) The chairperson of the commission may appoint a
- 15 hearings officer, who shall not be subject to chapter 76, to
- 16 hear and recommend decisions in any proceeding before it other
- 17 than a proceeding involving the rates or any other matters
- 18 covered in the tariffs filed by the public utilities. The
- 19 hearings officer shall have the power to take testimony, make
- 20 findings of fact and conclusions of law, and recommend a
- 21 decision; provided that the findings of [act,] fact, the
- 22 conclusions of law, and the recommended decision shall be

- 1 reviewed and may be approved by the commission after notice to
- 2 the parties and an opportunity to be heard. The hearings
- 3 officer shall have all of the above powers conferred upon the
- 4 public utilities commission under section 269-10."
- 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 upon its approval.

Report Title:

Public Utilities Commission; Electric Utility Rates

Description:

Requires the Public Utilities Commission, in exercising its authority and duties, to consider the costs and benefits of a diverse energy portfolio and of maximizing the efficiency of all electric utility assets to lower and stabilize the cost of electricity, without subverting the electric utilities' obligation to meet renewable portfolio standards. (SD1)

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