
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The legislature finds that the future success
2 of electric utilities in Hawaii depends on the electric
3 utilities' ability to adapt to and incorporate new technologies,
4 and integrate, operate, and manage the high penetration of
5 renewable energy generation on an evolving electricity grid
6 system. Currently, electric utilities must carry out integrated
7 resource planning: the process overseen by the public utilities
8 commission by which each electric utility lays out the specific
9 steps necessary to meet energy objectives and customer energy
10 needs consistent with state energy policies and goals, while
11 also providing safe and reliable utility service at a reasonable
12 cost. This planning effort determines the timing and type of
13 new electricity generation capacity introduced to the electric
14 grid. Consequently, the electric utilities' resource planning
15 process is a critical component in the State's overall energy
16 planning process and a key part of the electric utilities'
17 efforts to meet the mandates of Hawaii's renewable portfolio
18 standards law. The State's focus on renewable electricity



1 generation must be based on technically sound, commercially
2 available, and cost-effective resources.

3 The legislature also finds that the State's focus on
4 renewable electricity generation must recognize each island's
5 unique endowment of resources and potential contributions to
6 Hawaii's clean energy future.

7 The purpose of this Act is to allow the public utilities
8 commission to direct electric utilities to include specific
9 scenarios in each utility's integrated resource planning action
10 plan to help the State achieve its clean energy goals, including
11 the utilization of firm, indigenous renewable resources and the
12 transmission of excess firm or intermittent renewable energy via
13 an undersea electricity transmission cable.

14 SECTION 2. (a) The public utilities commission may direct
15 electric utilities to include the following scenarios as part of
16 their integrated resource plans:

17 (1) The replacement of existing fossil fuel-based
18 electricity generation plants with facilities that
19 generate technically sound, commercially proven, cost-
20 effective firm power from indigenous renewable energy
21 resources, such as electricity produced using
22 geothermal resources; and



1 (2) The development of excess firm or intermittent
2 electricity to be transmitted between islands,
3 including plans to develop an undersea electricity
4 transmission cable to support transmission of
5 electricity between the islands.

6 (b) The public utilities commission may direct electric
7 utilities to consider the following resource options as part of
8 their integrated resource plans:

9 (1) Hydrogen and other available energy storage
10 technologies used as a source of stored energy to
11 stabilize the grid when necessary; and

12 (2) Electricity generated by waste-to-energy facilities to
13 serve as a fuel source.

14 (c) The public utilities commission may develop a
15 framework for the replacement of oil-based power generation
16 facilities with indigenous renewable power generation
17 facilities. The framework may consider the following:

18 (1) Incentives for replacing fossil fuel facilities;

19 (2) Disincentives for retaining fully depreciated oil-
20 based fossil fuel facilities;

21 (3) Elimination of the market driven bidding process and
22 authorization for the electric utility company to



1 enter into joint ventures with renewable energy
2 providers under utility proposals that replace fossil
3 fuel facilities; and

4 (4) Other frameworks that expedite the replacement of
5 existing oil-based power generation facilities with
6 indigenous renewable clean energy power generation
7 facilities.

8 (d) The public utilities commission shall examine:

9 (1) Its avoided cost calculation methodology;

10 (2) Ways to maximize the use of distributed generation,
11 including an examination of the appropriateness of
12 current circuit penetration threshold levels for the
13 interconnection of distributed generation resources;

14 (3) Ways to minimize the curtailment of renewable energy;
15 and

16 (4) Ways to modernize the State's electrical grid.

17 SECTION 3. The public utilities commission shall include
18 actions taken, findings, recommendations, and any proposed
19 legislation necessary to further the purposes of this Act in its
20 2013 and 2014 annual reports to the governor, prepared pursuant
21 to section 269-5, Hawaii Revised Statutes.

22 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Public Utilities Commission; Electric Utilities; Integrated Resource Planning; Development of Renewable Energy Sources

Description:

Allows the public utilities commission to direct electric utilities to include specific scenarios and resource options as part of their integrated resource plans, to develop a framework to replace oil-based power generation facilities, and to examine certain policies related to the distribution of renewable energy. (SB2981 HD1)

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