A BILL FOR AN ACT

RELATING TO ENERGY INDEPENDENCE.

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

1	SECTION 1. The legislature finds that attaining									
2	independence from detrimental reliance on fossil fuels has been									
3	a long-standing objective for the State. Hawaii pays the									
4	highest electricity prices in the United States and its gasoline									
5	costs are among the highest in the country. Reducing the									
6	State's fossil fuel dependence and the consequent price									
7	volatility and attaining energy security and independence are									
8	critical.									
9	On January 28, 2008, the State of Hawaii and the United									
10	States Department of Energy signed a memorandum of understanding									
11	that launched the Hawaii clean energy initiative. This									
12	initiative and long-term partnership between the State of Hawaii									
13	and the United States Department of Energy is aimed at:									
14	(1) Accelerating the use and development of energy									
15	efficiency and renewable energy technologies;									
16	(2) Allowing Hawaii to serve as a model for the United									
17	States and other island communities; and									

- 1 Developing a national partnership to accelerate system (3) 2 transformation. 3 Act 155, Session Laws of Hawaii 2009, stated that its 4 purpose was to "provide a first step in aligning Hawaii's energy policy laws with the State's energy goals" and established a 5 6 renewable portfolio standard requiring that forty per cent of 7 each electric utility company's net electricity sales come from 8 renewable resources by the year 2030. 9 However, energy infrastructure planning and energy 10 independence require long-term planning. The year 2030 is now 11 less than twenty years away. Accordingly, the purpose of this 12 Act is to provide the next step in aligning Hawaii's energy 13 policy laws with its energy goals and to provide guidance for 14 long-term energy planning by establishing renewable portfolio 15 standards to be achieved by 2040 and 2050. This Act also sets a
- be achieved by 2050. In support of these long-term planning 18 goals, this Act also clarifies that the applicability of

goal for energy independence for Hawaii's electricity sector to

- **19** renewable portfolio standards is not dependent on the presence
- 20 of tax incentives.

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- 21 SECTION 2. Section 269-92, Hawaii Revised Statutes, is
- amended as follows: 22

HB HMS 2013-1479

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1. By amending subsection (a) to read:
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2
         "(a) Each electric utility company that sells electricity
3
    for consumption in the State shall establish a renewable
4
    portfolio standard of:
5
              Ten per cent of its net electricity sales by December
         (1)
6
              31, 2010;
7
         (2)
              Fifteen per cent of its net electricity sales by
8
              December 31, 2015;
9
              Twenty-five per cent of its net electricity sales by
         (3)
              December 31, 2020; [and]
10
11
         (4)
              Forty per cent of its net electricity sales by
12
              December 31, 2030[-];
13
              Seventy per cent of its net electricity sales by
         (5)
14
              December 31, 2040; and
15
         (6)
              One hundred per cent of its net electricity sales by
16
              December 31, 2050."
17
             By amending subsection (d) to read:
18
         "(d) Events or circumstances that are outside of an
19
    electric utility company's reasonable control may include, to
20
    the extent the event or circumstance could not be reasonably
21
    foreseen and ameliorated:
22
         (1)
              Weather-related damage;
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HB HMS 2013-1479

1	(2)	Natural disasters;
2	(3)	Mechanical or resource failure;
3	(4)	Failure of renewable electrical energy producers to
4		meet contractual obligations to the electric utility
5		company;
6	(5)	Labor strikes or lockouts;
7	(6)	Actions of governmental authorities that adversely
8		affect the generation, transmission, or distribution
9		of renewable electrical energy under contract to an
10		electric utility company;
11	[-(7-)-	Inability to acquire sufficient renewable electrical
12		energy due to lapsing of tax credits related to
13		renewable energy development;
14	(8)]	(7) Inability to obtain permits or land use approvals
15		for renewable electrical energy projects;
16	[-(9)-]	(8) Inability to acquire sufficient cost-effective
17		renewable electrical energy;
18	[(10)]	(9) Substantial limitations, restrictions, or
19		prohibitions on utility renewable electrical energy
20		projects; and
21	[(11)]	(10) Other events and circumstances of a similar
22		nature."

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	1	SECTION	3.	Statutory	material	to	be	repealed	is	bracketed
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- 2 and stricken. New statutory material is underscored.
- 3 SECTION 4. This Act shall take effect upon its approval.

4

INTRODUCED BY:



JAN 2 2 2013

Report Title:

Renewable Portfolio Standards; Energy Independence

Description:

Establishes renewable energy portfolio standards for 2040 and 2050, setting goal of energy independence for Hawaii's electricity sector by 2050.

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