A BILL FOR AN ACT

RELATING TO ENERGY.

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

1	Part I
2	SECTION 1. The legislature finds that Hawaii's economy is
3	dangerously dependent on the volatile prices of imported fossil
4	fuels. In order to provide security and stability for our local
5	economy, we must end our reliance on imported fuels and decrease
6	energy costs in the long-term.
7	The legislature further finds that while Hawaii's energy
8	sector is changing rapidly, energy utilities need to make more
9	progress toward ensuring the long-term public benefit of these
10	changes and must be prepared to adapt to changing technology and
11	a decentralized energy market. While for-profit energy
12	utilities divert significant amounts of money from ratepayers to
13	shareholders and tend to resist change that could reduce their
14	customer base, publicly or cooperatively owned energy utilities
15	are tasked only with representing the interests of the
16	ratepayers they serve.

17 The purpose of this Act is to:

1	(1) Authorize and fund a study to assess and compare
2	Hawaii's for-profit energy utilities with specific publicly or
3	cooperatively owned energy utilities in the United States; and
4	(2) Impose a cap on interconnection costs that may be
5	recorded by an electric public utility through the Hawaii
6	electricity reliability surcharge.
7	Part II
8	SECTION 2. (a) The legislative reference bureau shall
9	conduct a study examining the energy utilities in: Kauai,
10	Hawaii; Boulder, Colorado; Sacramento, California; Long Island,
11	New York; and any other energy utility the bureau deems
12	appropriate, to:
13	(1) Compare the different organizational models of
14	publicly-owned energy utilities with that of the
15	electric utilitiés of Hawaiian Electric Industries,
16	Inc., with respect to elements that include but are
17	not limited to: ownership structure, relation to
18	ratepayers, operating and rate costs to taxpayers or
19	ratepayers, energy generation sources, and incentives
20	to achieve renewable energy goals; and

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1	(2)	Review the process by which any of these foregoing
2		energy utilities converted to a municipally-owned or
3		cooperative organizational structure and to the extent
4		possible, assess the benefits and problems associated
5		with the conversion, including an analysis of related
6		procedural and legal issues.

- 7 (b) The legislative reference bureau may contract with 8 another entity for services that may be required pursuant to 9 this Act. Any contract for services executed pursuant to this 10 Act shall be exempt from chapter 103D, Hawaii Revised Statutes.
- 11 (c) The legislative reference bureau shall submit a report
 12 of its findings to the legislature no later than twenty days
 13 prior to the convening of the regular session of 2016.

14 Part III

- 15 SECTION 3. Section 269-146, Hawaii Revised Statutes, is 16 amended by amending subsection (d) to read as follows:
- "(d) The commission may allow an electric utility to
 recover appropriate and reasonable costs under the Hawaii
 electricity reliability surcharge for any interconnection to the
 Hawaii electric system, including interconnection studies and
 other analysis associated with studying the impact or necessary

- 1 infrastructure and operational requirements needed to reliably
- 2 interconnect a generator, as well as from electric utility
- 3 customers through a surcharge or assessment subject to review
- 4 and approval by the commission under section 269-16[-]; provided
- 5 that interconnection costs that exceed per cent of the
- 6 national average cost for comparable interconnection shall not
- 7 be deemed to be appropriate and reasonable for purposes of this
- 8 subsection."
- 9 Part IV
- 10 SECTION 4. There is appropriated out of the general
- 11 revenues of the State of Hawaii the sum of \$ or so much
- 12 thereof as may be necessary for fiscal year 2015-2016 to perform
- 13 an energy utility study pursuant to section 2 of this Act.
- 14 The sum appropriated shall be expended by the legislative
- 15 reference bureau for the purposes of this Act.
- 16 SECTION 5. This Act shall take effect upon its approval;
- 17 provided that section 4 shall take effect on July 1, 2015.

Report Title:

Electric Utilities; Legislative Reference Bureau; Study; Appropriation; Electricity Reliability Surcharge

Description:

Requires the Legislative Reference Bureau to study electric utilities, including organizational models and the conversion process. Establishes a cap on the Hawaii electricity reliability surcharge for interconnection to the Hawaii electric system. (HB1504 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.