

JAN 22 2016

A BILL FOR AN ACT

RELATING TO NET ENERGY METERING FOR SCHOOLS.

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

1 SECTION 1. The legislature finds that Hawaii's electricity
2 consumers continue to endure the highest electricity rates in
3 the country, and the high cost of this essential service imposes
4 substantial burdens on Hawaii's households, businesses, and
5 schools.

6 More specifically, the high cost of electricity has
7 severely burdened the operations of the department of education.
8 The department's energy requirements and electricity bills are
9 expected to increase as a result of, among other things,
10 volatile oil prices and the need to install heat abatement and
11 air conditioning equipment in some schools to preserve and
12 promote the health and safety of students and teachers, and to
13 foster a better and more comfortable and productive learning
14 environment in public schools.

15 The legislature further finds that given the current
16 circumstances, it is in the public's best interest to assist the
17 department of education in achieving immediate, tangible, and



1 sustainable electricity cost relief through the generation of
2 renewable energy. Renewable energy will enable the department
3 to provide more cooling for schools by managing its energy
4 costs, which would be more sustainable than any temporary rate
5 reduction due to the volatility of oil prices and resulting
6 increased electricity rates.

7 The legislature further finds that the State has
8 established an important policy goal of achieving a one hundred
9 per cent renewable energy portfolio standard by 2045, pursuant
10 to Act 97, Session Laws of Hawaii 2015.

11 The legislature also finds that the department of education
12 has established a sustainability policy of achieving a clean
13 energy goal of ninety per cent by 2040.

14 The legislature further finds that investments in renewable
15 energy resources must be made by the department of education to
16 help the State achieve its aggressive clean energy goals and to
17 provide electricity for its own use in the public schools. It
18 is consistent with state policy to facilitate an increase in the
19 use of renewable energy by the department by providing financial
20 relief for the installation and use of renewable energy.



1 The legislature finds that due to projected high production
2 of solar photovoltaic systems during the summer months when the
3 majority of students are not in school, net energy metering for
4 schools is essential for the department of education to fully
5 utilize renewable energy resources when students are in school.
6 Net energy metering has been an effective mechanism for the
7 rapid development of renewable energy by distributed generation.

8 The purpose of this Act is to allow the department of
9 education to utilize net energy metering for its schools.

10 SECTION 2. Section 269-101, Hawaii Revised Statutes, is
11 amended by amending the definition of "eligible customer-
12 generator" to read as follows:

13 "Eligible customer-generator" means a metered residential
14 or commercial customer, including a government entity, of an
15 electric utility who owns, or leases to a third party, and
16 operates, or contracts to operate with a third party, a solar,
17 wind turbine, biomass, or hydroelectric energy generating
18 facility, or a hybrid system consisting of two or more of these
19 facilities, that is:

20 (1) Located on the customer's premises;



(2) Operated in parallel with the utility's transmission and distribution facilities;

(3) In conformance with the utility's interconnection requirements; and

(4) Intended primarily to offset part or all of the customer's own electrical requirements."

SECTION 3. Section 269-101.5, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~269-101.5~~]~~ Maximum capacity of eligible customer-generator. (a) The eligible customer-generator shall have a capacity of not more than fifty kilowatts; provided that the public utilities commission may increase the maximum allowable capacity that eligible customer-generators may have to an amount greater than fifty kilowatts by rule or order.

(b) If the department of education qualifies as an eligible customer-generator, the generator shall have a capacity of not more than seven hundred fifty kilowatts per generating facility."

SECTION 4. Section 269-102, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:



1 "(c) The public utilities commission may amend the rate
2 structure or standard contract or tariff by rule or order. If
3 the department of education is the eligible customer-generator,
4 the public utilities commission shall not amend the rate
5 structure or excess electricity credits and credit carry over
6 terms applicable to the department of education for net energy
7 metering established under this part."

8 SECTION 5. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:

Michelle Lelandi

Breene Starn

Mark

Thurmond
B



S.B. NO. 2605

Report Title:

Net Energy Metering; Public Utilities Commission; Department of Education

Description:

Clarifies the requirements for the department of education to qualify for net energy metering. Prohibits the PUC from amending the rate structure or excess electricity credits and credit carry over terms applicable to the DOE for net energy metering. Clarifies definition of eligible customer-generator.

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