A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 The legislature finds that Hawaii's dependency 2 on imported fossil fuels drains the State's economy of billions 3 of dollars each year. A stronger local economy depends on a 4 transition away from imported fossil fuel powered ground 5 transportation and toward multi-modal transportation systems 6 powered by renewable local energy resources. 7 The legislature also finds that climate change caused by 8 greenhouse gas emissions from burning fossil fuels poses a 9 serious threat to the economic well-being, public health, **10** natural resources, and the environment of Hawaii. The potential 11 adverse impacts of climate change include the exacerbation of

water, a rise in sea levels resulting in the displacement of coastal businesses and residences, damage to marine ecosystems and the natural environment, and an increase in the incidences

of infectious diseases, asthma, and other human health-related

air quality problems, a reduction in the quality and supply of

17 problems.

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- 1 The legislature further finds that climate change will have
- 2 detrimental effects on some of Hawaii's largest industries,
- 3 including tourism, agriculture, and recreational and commercial
- 4 fishing. It will also increase the strain on electricity
- 5 supplies necessary to meet the increased demand for air-
- 6 conditioning in the state.
- 7 The purpose of this Act is to update Hawaii's clean energy
- 8 initiative and state planning act to eliminate Hawaii's
- 9 dependence on imported fossil fuels in the ground transportation
- 10 sector by setting a target to reduce sales of diesel and
- 11 gasoline for use in ground transportation to less than one
- 12 million gallons by 2045. This target will ensure maximum long-
- 13 term benefit to Hawaii's economy and the reduction of long-term
- 14 consequences of climate change to the State's economy and
- 15 environment.
- 16 SECTION 2. Section 196-10.5, Hawaii Revised Statutes, is
- 17 amended to read as follows:
- 18 "[+] §196-10.5[+] Hawaii clean energy initiative program.
- 19 (a) There is established within the department of business,
- 20 economic development, and tourism, a Hawaii clean energy
- 21 initiative program to manage the State's transition to a clean



T	energy ec	onomy. The clean energy program shall design,
2	implement	, and administer activities that include:
3	(1)	Strategic partnerships for the research, development,
4		testing, deployment, and permitting of clean and
5		renewable technologies;
6	(2)	Engineering and economic evaluations of Hawaii's
7		potential for near-term project opportunities for the
8		State's renewable energy resources;
9	(3)	Electric grid reliability and security projects that
10		will enable the integration of a substantial increase
1		of electricity from renewable-energy resources;
12	(4)	A statewide clean energy public education and outreach
13		plan to be developed in coordination with Hawaii's
14		institutions of public education;
15	(5)	Promotion of Hawaii's clean and renewable resources to
16		potential partners and investors;
17	(6)	A plan, to be implemented from 2011 to [2030,] 2045,
18		to transition the State to a clean energy economy; and
19	(7)	A plan, to be implemented from 2011 to [2030,] 2045,
20		to assist each county in transitioning to a clean
21		energy economy

1	(b)	It i	s the policy of the State to increase energy
2	<u>se</u> curity	and s	elf-sufficiency through the reduction and ultimate
3	eliminati	on of	Hawaii's dependence on imported fossil fuels for
4	electrica	l gen	eration and ground transportation by 2045. Hawaii
5	<u>cl</u> ean ene	rgy i	nitiative program activities authorized under
6	subsectio	n (a)	shall be geared towards helping the State to
7	achieve t	he fo	llowing goals and targets:
8	(1)	Elec	trical generation. Each electric utility company
9		that	sells electricity for consumption in the State
10		shal	l establish a renewable portfolio standard
11		purs	uant to section 269-92 as follows:
12		<u>(A)</u>	Ten per cent of its net electricity sales by
13			December 31, 2010;
14		<u>(B)</u>	Fifteen per cent of its net electricity sales by
15			December 31, 2015;
16		<u>(C)</u>	Thirty per cent of its net electricity sales by
17			December 31, 2020;
18	·	<u>(D)</u>	Forty per cent of its net electricity sales by
19			December 31, 2030;
20		<u>(E)</u>	Seventy per cent of its net electricity sales by
21			December 31, 2040; and

1	(F) One hundred per cent of its net electricity sales
2	by December 31, 2045; and
3	(2) Ground Transportation. Annual sales of diesel oil and
4	gasoline for use in ground transportation subject to
5	taxation pursuant to section 243-4 shall be:
6	(A) Less than four hundred million gallons by 2025;
7	(B) Less than three hundred million gallons by 2030;
8	(C) Less than two hundred million gallons by 2035;
9	(D) Less than one hundred million gallons by 2040;
10	and
11	(E) Less than one million gallons by 2045.
12	[(b)] <u>(c)</u> Prior to the initiation of any activities
13	authorized under subsection (a), the department of business,
14	economic development, and tourism shall develop a plan of action
15	with the intent of promoting effective prioritization and
16	focusing of efforts consistent with the State's energy programs
17	and objectives.
18	[(c)] <u>(d)</u> The department of business, economic development,
19	and tourism shall submit a report to the legislature no later
20	than twenty days prior to the convening of each regular session

1	on the status and progress of new and existing clean energy
2	initiatives. The report shall also include:
3	(1) The spending plan of the Hawaii clean energy
4	initiative program;
5	(2) All expenditures of energy security special fund
6	moneys; and
7	(3) The targeted markets of the expenditures, including
8	reasons for selecting those markets, the persons to be
9	served, specific objectives of the program, and
10	program expenditures, including measurable outcomes."
11	SECTION 3. Section 226-17, Hawaii Revised Statutes, is
12	amended by amending subsection (a) to read as follows:
13	"(a) Planning for the State's facility systems with regard
14	to transportation shall be directed towards the achievement of
15	the following objectives:

(1) An integrated multi-modal transportation system that

services statewide needs and promotes the efficient,

economical, safe, and convenient movement of people

19 and goods.

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1	(2)	A statewide transportation system that is consistent
2		with and will accommodate planned growth objectives
3		throughout the State.
4	(3)	Increased energy security and self-sufficiency through
5		the reduction of imported fossil fuels for ground
6		transportation by 2045."
7	SECTI	ION 4. Section 226-18, Hawaii Revised Statutes, is
8	amended by	y amending subsection (a) to read as follows:
9	"(a)	Planning for the State's facility systems with regard
10	to energy	shall be directed toward the achievement of the
11	following	objectives, giving due consideration to all:
12	(1)	Dependable, efficient, and economical statewide energy
13		systems capable of supporting the needs of the people;
14	(2)	Increased energy security and self-sufficiency through
15		the reduction and ultimate elimination of Hawaii's
16		dependence on imported <u>fossil</u> fuels for electrical
17		generation and ground transportation[+] by 2045;
18	(3)	Greater diversification of energy generation in the
19		face of threats to Hawaii's energy supplies and
20		and one

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1	(4) Reduction, avoidance, or sequestration of greenhouse
2	gas emissions from energy supply and use; and
3	(5) Utility models that make the social and financial
4	interests of Hawaii's utility customers a priority."
5	SECTION 5. Statutory material to be repealed is bracketed
6	and stricken. New statutory material is underscored.
7	SECTION 6. This Act shall take effect on July 1, 2016.

INTRODUCED BY

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Report Title:

Transportation; Clean Energy Initiative; State Planning Act; Fossil Fuels; Environment

Description:

Aims to reduce Hawaii's dependence on imported fossil fuels for electrical generation and ground transportation by 2045 and creates goals and targets in Hawaii's Clean Energy Initiative and State Planning Act.

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