
A BILL FOR AN ACT

RELATING TO ENERGY MODERNIZATION AT THE UNIVERSITY OF HAWAII
SYSTEM.

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

1 SECTION 1. The legislature finds that the use of renewable
2 energy, advanced distributed energy resources, and energy
3 efficiency in Hawaii provides significant financial, health,
4 environmental, and workforce benefits to the State. While
5 Hawaii is a national leader in developing renewable energy,
6 barriers remain that inhibit the development of "microgrids", a
7 rapidly emerging technology that can play a key role in
8 expanding the use of clean energy to serve persons and buildings
9 in the State that have been unable to enjoy the benefits of
10 clean energy.

11 The legislature further finds that the use of microgrids,
12 generally defined as a localized electrical system composed of
13 interconnected loads and distributed energy resources within
14 clearly defined electrical boundaries, is a positive step toward
15 achieving Hawaii's energy goals. Microgrids can facilitate the
16 achievement of Hawaii's clean energy policies by enabling the



1 integration of higher levels of renewable energy and advanced
2 distributed energy resources, including energy storage and
3 demand response. The purpose of this Act is to encourage and
4 facilitate the development and use of microgrids by requiring
5 the University of Hawaii to develop a plan for one microgrid
6 demonstration project on university property.

7 The legislature intends for the microgrid plan to help
8 lower energy costs at the University of Hawaii, including
9 monthly savings on the university's facilities energy bill. The
10 University of Hawaii may consider monetizing University of
11 Hawaii West Oahu lands by offering the land as a site for
12 renewable energy development. The legislature also intends for
13 the microgrid plan to be fair and beneficial to all affected
14 electric customers. The plan requires the University of Hawaii
15 to pay a fair share to access the microgrid and allows the
16 university to receive benefits that it provides to the grid
17 through demand response or other tariffs payment for grid
18 service. At a minimum, the microgrid plan should complement and
19 provide a positive benefit to the larger energy system to be
20 fair to all customers.



1 The legislature further intends for the microgrid plan to
2 ensure that electric service for the university and other
3 customers remains safe and reliable. Finally, the legislature
4 intends for the microgrid plan to measure and ensure progress
5 toward achieving the university's net-zero energy goal. The
6 legislature expects that the proposals in the microgrid plan be
7 aligned with the on-going efforts of the public utilities
8 commission.

9 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
10 amended by adding a new section to subpart D of part VI to be
11 appropriately designated and to read as follows:

12 "§304A- Microgrid project. (a) Notwithstanding any
13 other law to the contrary, the university shall develop a
14 microgrid plan for one microgrid project at, or within, any
15 properties on Oahu owned, leased, or controlled by the
16 university; provided that the university shall select the
17 location for the microgrid project; provided further that the
18 university shall develop the plan in collaboration with the
19 electric utility that typically provides service to the selected
20 location.

21 (b) The microgrid plan shall:



- 1 (1) Lower energy costs to the university;
2 (2) Be fair and provide benefits to other electric
3 customers;
4 (3) Maintain safety and reliability of the electric
5 service for the university and other electric
6 customers; and
7 (4) Demonstrate progress toward achieving the university's
8 net-zero renewable energy goal.

9 (c) The university, electric utility described in
10 subsection (a), and public utilities commission shall submit
11 quarterly status reports to the legislature to ensure progress
12 is being made on the microgrid plan.

13 (d) The university shall submit the microgrid plan and any
14 proposed legislation to the legislature no later than twenty
15 days prior to the convening of the regular session of 2019.

16 (e) For the purposes of this section, "microgrid" means a
17 group of interconnected loads and distributed energy resources
18 within clearly defined electrical boundaries that acts as a
19 single controllable entity with respect to the grid. A
20 microgrid can connect and disconnect from the grid to enable it
21 to operate in both grid-connected or island-mode."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on July 1, 2050.

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Report Title:

University of Hawaii; Microgrid; Microgrid Plan

Description:

Requires UH to develop a microgrid plan for one demonstration project at any property on Oahu owned, leased, or controlled by UH. Authorizes UH to select the location for the project. Requires UH to collaborate with the local electric utility. Requires quarterly status reports to the legislature. Requires UH to submit the microgrid plan to the legislature prior to the regular session of 2019. Defines "microgrid". Effective 7/1/2050. (SD2)

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