
A BILL FOR AN ACT

RELATING TO MICROGRIDS.

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

1 SECTION 1. The legislature finds that the development of
2 renewable microgrids can aid Hawaii's transition to a clean
3 energy economy. In this context, a microgrid is a small energy
4 network, interconnected with an electric utility grid, or
5 utilizing an electric utility grid, which is powered by
6 renewable energy, and which may be islanded from the electric
7 utility grid if needed.

8 The legislature further finds that microgrids have the
9 potential to be a testing ground for greater integration of
10 renewable energy, distributed generation, storage, and demand
11 response technology. Microgrid demonstration projects will
12 enable the State to learn how to reduce costs, increase grid
13 reliability and resiliency, reduce pollution and greenhouse gas
14 emissions, reduce the cost of infrastructure, and increase the
15 efficiency of transmission and distribution.

16 The purpose of this Act is to enable microgrid
17 demonstration projects that can assist in understanding,



1 developing, and refining microgrid technologies and policies in
2 the State.

3 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
4 amended by adding a new section to part I to be appropriately
5 designated and to read as follows:

6 "§269- Enabling microgrid demonstration projects. (a)
7 Notwithstanding any other provisions in this chapter, microgrid
8 demonstration projects shall be exempt from the requirements of
9 this chapter, except as may be needed to facilitate safe
10 interconnection of the microgrid demonstration project to an
11 electric public utility grid. Any person who owns, controls,
12 operates, manages, or otherwise participates in a microgrid
13 demonstration project shall not be considered a public utility
14 for the purpose of participating in the microgrid demonstration
15 project.

16 (b) The public utilities commission may take any steps the
17 commission deems necessary to enable and compel electric public
18 utilities to allow the development of microgrid demonstration
19 projects by non-utilities. These steps may include issuing
20 related orders, amending or adopting related rules, working with
21 permitting agencies or other authorities to grant exemptions, or



1 other steps necessary to enable microgrid demonstration
2 projects.

3 (c) A microgrid demonstration project shall be exempt from
4 any wheeling restrictions when the wheeling is conducted within
5 the designated boundaries of the project.

6 (d) The property controlled by the natural energy
7 laboratory of Hawaii authority, established pursuant to chapter
8 227D, and the Kalaeloa community development district,
9 designated in section 206E-193, are designated as microgrid
10 demonstration projects. After January 1, , the public
11 utilities commission may designate other demonstration projects
12 without legislative approval.

13 (e) Not later than twenty days prior to the convening of
14 each regular session, each microgrid demonstration project
15 established or authorized pursuant to this section shall submit
16 an annual report to the legislature of its findings and
17 recommendations on the demonstration project.

18 (f) For the purposes of this section, "microgrid
19 demonstration project" means a renewable energy generation,
20 storage, or distribution network that:



- 1 (1) Is designated by the legislature and is associated
2 with a governmental or a quasi-governmental entity;
- 3 (2) Is authorized by the public utilities commission;
- 4 (3) May or may not cross property boundaries, easements,
5 public thoroughfares, transportation rights-of-way,
6 and utility rights-of-way;
- 7 (4) May or may not provide, sell, or transmit renewable
8 energy to a person other than the person who owns,
9 controls, operates, or manages the microgrid
10 demonstration project;
- 11 (5) May or may not use portions of an electric public
12 utility's transmission or distribution lines to
13 provide, sell, or transmit electricity to participants
14 in the microgrid demonstration project;
- 15 (6) Uses electricity generation, located on the microgrid
16 demonstration project, with a total generating
17 capacity of five megawatts or less;
- 18 (7) Uses only renewable energy, as defined in section 269-
19 91, to generate electricity, except in cases of
20 emergency; and



H.B. NO. 1248

Report Title:

Renewable Energy; Microgrid Demonstration Projects

Description:

Authorizes the establishment of microgrid demonstration projects for the generation, storage, and distribution of renewable energy.

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