
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES COMMISSION.

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

1 SECTION 1. In 2001, the State passed a renewable portfolio
2 standard (RPS), which means "the percentage of electrical energy
3 sales that is represented by renewable energy". The legislature
4 recognized that biofuels and hydrogen could be produced from
5 renewable resources, fossil fuels, or a combination of both, and
6 determined that only the proportion made from renewables could
7 count toward the RPS. In 2004, developers considered
8 establishing ethanol plants on various Hawaiian islands. To
9 assist the developers, the legislature modified the definition
10 of biofuels to assert that all biofuel production could be used
11 in meeting the RPS standard, but no ethanol plants were built.
12 Developers later proposed importing palm oil biodiesel from
13 tropical rainforest regions, which would also fully qualify
14 biofuels toward meeting the RPS standard.

15 In 2008, the State, in partnership with the United States
16 Department of Energy, launched the Hawaii Clean Energy
17 Initiative to reduce its dependence on imported fossil fuels.



1 Subsequent legislation established a one hundred per cent RPS to
2 be achieved by the year 2045.

3 Many energy and environmental stakeholders recognize that
4 not all renewable energy sources are created equal. The
5 production and use of renewable energy includes the combustion
6 and production of byproducts in the form of greenhouse gases,
7 air pollutants, water pollutants, and toxic waste. Some of
8 these pollutants are associated with long-term societal health
9 burdens and economic effects arising from climate change. The
10 public utilities commission recognized the importance of
11 considering such impacts, and had rejected the expanded use of
12 coal in January 2017, noting that the "potential to
13 significantly increase greenhouse gas emissions undermines the
14 claims regarding its reasonableness."

15 The purpose of this Act is to enable the public utilities
16 commission to include certain external impacts when establishing
17 standards prescribing the portion of the RPS to be met by
18 specific types of renewable energy resources, and to amend the
19 definition of "renewable energy" to include emissions-free
20 sources.



1 SECTION 2. Section 269-91, Hawaii Revised Statutes, is
2 amended by amending the definition of "renewable energy" to read
3 as follows:

4 "Renewable energy" means energy generated or produced
5 using the following sources:

6 (1) Wind;

7 (2) The sun;

8 (3) Falling water;

9 [~~(4) Biogas, including landfill and sewage based digester~~
10 ~~gas;~~

11 ~~(5) Geothermal;~~

12 ~~(6)] (4) Ocean water, currents, and waves, including ocean~~

13 thermal energy conversion;

14 [~~(7) Biomass, including biomass crops, agricultural and~~
15 ~~animal residues and wastes, and municipal solid waste~~
16 ~~and other solid waste;~~

17 ~~(8) Biofuels; and~~

18 ~~(9)] (5) Hydrogen produced from [~~renewable energy~~~~

19 ~~sources.] emissions-free and renewable energy sources,~~

20 including solar, wind, and wave;



- 1 (6) Other emissions-free electrical energy generation and
- 2 fuel replacement sources not otherwise specified; and
- 3 (7) Energy storage systems used in combination with
- 4 emissions-free clean energy power generation and
- 5 production sources as defined herein."

6 SECTION 3. Section 269-92, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) The public utilities commission may establish
9 standards for each utility that prescribe what portion of the
10 renewable portfolio standards shall be met by specific types of
11 renewable energy resources [7] including the life cycle and
12 social, cultural, climate, environmental, and geographic
13 impacts; provided that:

14 (1) Prior to January 1, 2015, at least fifty per cent of
15 the renewable portfolio standards shall be met by
16 electrical energy generated using renewable energy as
17 the source, and after December 31, 2014, the entire
18 renewable portfolio standard shall be met by
19 electrical generation from renewable energy sources;



1 (2) Beginning January 1, 2015, electrical energy savings
2 shall not count toward renewable energy portfolio
3 standards;

4 (3) Where electrical energy is generated or displaced by a
5 combination of renewable and nonrenewable means, the
6 proportion attributable to the renewable means shall
7 be credited as renewable energy; and

8 (4) Where fossil and renewable fuels are co-fired in the
9 same generating unit, the unit shall be considered to
10 generate renewable electrical energy (electricity) in
11 direct proportion to the percentage of the total heat
12 input value represented by the heat input value of the
13 renewable fuels."

14 SECTION 4. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect upon its approval.

17

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JAN 23 2017



H.B. NO. 906

Report Title:

Renewable Portfolio Standard; Renewable Energy

Description:

Enables the Public Utilities Commission to include certain external impacts when establishing standards prescribing the portion of the RPS to be met by specific types of renewable energy resources. Amends the definition of "renewable energy" to include energy generated or produced by emissions-free sources.

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