HOUSE OF REPRESENTATIVES
THIRTIETH LEGISLATURE, 2020
STATE OF HAWAII

H.B. NO. 2396

A BILL FOR AN ACT

RELATING TO CLIMATE CONTROL.

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

SECTION 1. The legislature finds that the human-induced global climate crisis requires thoughtful but bold responses on many fronts to make Hawaii communities resilient to the impacts of climate change that threaten the very survivability of these fragile islands. Lest Hawaii lose its leadership position in meeting the future of labor, justice and equity, the legislature embraces aloha 'aina as a green new deal to decarbonize Hawaii's systems of food, energy, and transportation, and to sequester carbon through systems of agriculture, waste management, and ecosystem restoration. This solid foundation finds synergies with expanded access to health, housing and education, multiplying good jobs and ensuring justice and equity for Hawaii's citizens. This measure represents a forward step in mitigating and adapting Hawaii to inevitable change.

The legislature recognizes that climate change is an existential threat to all living things. Many children born today will be alive in the year 2100, a benchmark year for when

things will be terribly wrong in a business-as-usual scenario. The Intergovernmental Panel on Climate Change (IPCC) stated that we stand a decent chance for survival if we can keep the warming below an increase of 1.5 degrees celsius. To do so means we must cut carbon emissions in half by 2030. There is no "wiggle room" in this. If we are to allow the developing nations to achieve economically what the West has achieved, then the West must reach carbon neutrality by 2030 and negative carbon by 2035. This requires across the board actions. To accomplish our formidable goal, our actions cannot be wasted on token gestures. Rather, they must be strategic, systemic and be wide sweeping. We must mobilize immediately to create jobs and policy that will serve the next seven generations.

SECTION 2. Chapter 271, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"**§271- Fuel conversion permit required.** All regulated vehicles using public highways to deliver and sell fossil fuel to residents and businesses shall have a commission approved plan issued by 2025 to phase-out the sale of fossil fuel by 2030."

SECTION 3. Section 269-72, Hawaii Revised Statutes, is amended to read as follows:

"**[~~†~~]§269-72[~~†~~] Electric vehicle charging system; rebate program.** (a) It shall be the policy of the State to advance Electrification of Transportation as rapidly as reasonably possible. The public utilities commission, in consultation with electric vehicle stakeholders and the state energy office, shall administer a rebate program that incentivizes the installation or upgrade of an electric vehicle charging system, as provided in this section, and may contract with a third-party administrator pursuant to section 269-73 to operate and manage the rebate program."

SECTION 4. Section 269-91, Hawaii Revised Statutes, is amended to read as follows:

"**§269-91 [~~†~~]Definitions.[~~†~~]** For the purposes of this [~~†~~]part[~~†~~]:

[~~"Biofuels" means liquid or gaseous fuels produced from organic sources such as biomass crops, agricultural residues and oil crops, such as palm oil, canola oil, soybean oil, waste cooking oil, grease, and food wastes, animal residues and wastes, and sewage and landfill wastes.~~

~~"Cost-effective" means the ability to produce or purchase electric energy or firm capacity, or both, from renewable energy resources at or below avoided costs or as the commission otherwise determines to be just and reasonable consistent with the methodology set by the public utilities commission in accordance with section 269-27.2.~~

~~"Electric utility company" means a public utility as defined under section 269-1, for the production, conveyance, transmission, delivery, or furnishing of power.~~

~~"Renewable electrical energy" means:~~

~~(1) Electrical energy generated using renewable energy as the source, and beginning January 1, 2015, includes customer-sited, grid-connected renewable energy generation; and~~

~~(2) Electrical energy savings brought about by:~~

~~(A) The use of renewable displacement or off-set technologies, including solar water heating, sea-water air-conditioning district cooling systems, solar air-conditioning, and customer-sited, grid-connected renewable energy systems; provided that, beginning January 1, 2015, electrical~~

~~energy savings shall not include customer-sited, grid-connected renewable energy systems; or~~

~~(B) The use of energy efficiency technologies, including heat pump water heating, ice storage, ratepayer-funded energy efficiency programs, and use of rejected heat from co-generation and combined heat and power systems, excluding fossil-fueled qualifying facilities that sell electricity to electric utility companies and central station power projects.~~

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

~~(1) Wind;~~

~~(2) The sun;~~

~~(3) Falling water;~~

~~(4) Biogas, including landfill and sewage-based digester gas;~~

~~(5) Geothermal;~~

~~(6) Ocean water, currents, and waves, including ocean thermal energy conversion;~~

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

~~(8) Biofuels; and~~

~~(9) Hydrogen produced from renewable energy sources.~~

~~"Renewable portfolio standard" means the percentage of electrical energy sales that is represented by renewable electrical energy.~~]

"Clean electricity" means electricity not generated from fossil fuel and not produced by a combustion method that releases greenhouse gases into the environment.

"Clean gas" means gas generated from Renewable Hydrogen, self-contained biomass pyrolysis, and gas recovered from a landfill or from an emission stream.

"Combustion" means a high-temperature chemical reaction between a fuel and an oxidant, usually atmospheric oxygen, that produces light, heat, smoke, and can produce electricity.

"Dirty electricity" means electricity generated from fossil fuel or produced by a combustion method that releases greenhouse gases into the environment.

"Dirty gas" means gas generated from fossil fuel or produced by a combustion or pyrolysis system that releases greenhouse gases into the environment.

"Electric Renewable Portfolio Standard" means the percent of total energy that is represented by clean electricity.

"Emission stream" means the emissions from an industrial facility such as a wastewater treatment plant

"Fossil fuel" means coal, natural gas, petroleum and plastic.

"Gas Renewable Portfolio Standard" means the percent of total gas sold that is represented by clean gas.

"Pyrolysis" means an enclosed thermal decomposition of biomass occurring in the absence of oxygen that produces precursors of biochar, bio-oil, and biogas such as methane, hydrogen, carbon monoxide, and carbon dioxide.

"Renewable hydrogen" means hydrogen generated from renewable sources."

"Self-contained" means a system without emissions.

"Total Electricity" means dirty electricity plus clean electricity.

"Total Gas" means all dirty gas plus all clean gas sold by the utility."

"Utility" means a parent utility and all subsidiaries."

SECTION 5. Section 269-92, Hawaii Revised Statutes, is amended to read as follows:

"**§269-92 Renewable portfolio standards.** (a) Each electric utility [~~company that sells electricity for consumption in the State~~] shall [~~establish a renewable portfolio standard of:~~

~~(1) Ten per cent of its net electricity sales by December 31, 2010;~~

~~(2) Fifteen per cent of its net electricity sales by December 31, 2015;~~

~~(3) Thirty per cent of its net electricity sales by December 31, 2020;~~

~~(4) Forty per cent of its net electricity sales by December 31, 2030;~~

~~(5) Seventy per cent of its net electricity sales by December 31, 2040; and~~

~~(6) One hundred per cent of its net electricity sales by December 31, 2045.~~

~~(b) The public utilities commission may establish standards for each utility that prescribe what portion of the renewable portfolio standards shall be met by specific types of renewable energy resources; provided that:~~

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

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

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

~~(4) Where fossil and renewable fuels are co-fired in the same generating unit, the unit shall be considered to generate renewable electrical energy (electricity) in direct proportion to the percentage of the total heat~~

~~input value represented by the heat input value of the renewable fuels.~~

~~(c) If the public utilities commission determines that an electric utility company failed to meet the renewable portfolio standard, after a hearing in accordance with chapter 91, the utility shall be subject to penalties to be established by the public utilities commission; provided that if the commission determines that the electric utility company is unable to meet the renewable portfolio standards due to reasons beyond the reasonable control of an electric utility, as set forth in subsection (d), the commission, in its discretion, may waive in whole or in part any otherwise applicable penalties.~~

~~(d) Events or circumstances that are outside of an electric utility company's reasonable control may include, to the extent the event or circumstance could not be reasonably foreseen and ameliorated:~~

~~(1) Weather-related damage;~~

~~(2) Natural disasters;~~

~~(3) Mechanical or resource failure;~~

~~(4) Failure of renewable electrical energy producers to meet contractual obligations to the electric utility company;~~

~~(5) Labor strikes or lockouts;~~

~~(6) Actions of governmental authorities that adversely affect the generation, transmission, or distribution of renewable electrical energy under contract to an electric utility company;~~

~~(7) Inability to acquire sufficient renewable electrical energy due to lapsing of tax credits related to renewable energy development;~~

~~(8) Inability to obtain permits or land use approvals for renewable electrical energy projects;~~

~~(9) Inability to acquire sufficient cost-effective renewable electrical energy;~~

~~(10) Inability to acquire sufficient renewable electrical energy to meet the renewable portfolio standard goals beyond 2030 in a manner that is beneficial to Hawaii's economy in relation to comparable fossil fuel resources;~~

~~(11) Substantial limitations, restrictions, or prohibitions on utility renewable electrical energy projects; and~~

~~(12) Other events and circumstances of a similar nature.~~]

achieve an Electric Renewable Portfolio Standard of:

(1) Thirty per cent by December 31, 2020;

(2) Fifty per cent by December 31, 2025;

(3) Seventy-five per cent by December 31, 2030; and

(4) One hundred per cent by December 31, 2035.

(b) Each gas utility shall achieve a Gas Renewable Portfolio Standard of:

(1) Five per cent by December 31, 2020;

(2) Twenty-five per cent by December 31, 2025;

(3) Seventy-five per cent by December 31, 2030; and

(4) One hundred per cent by December 31, 2035.

(c) If a utility fails to meet its renewable portfolio standard requirement, the public utilities commission may seek corrections through the use of performance-based regulations in accordance with section 269-16.1."

SECTION 6. Section 271-1, Hawaii Revised Statutes, is amended to read as follows:

"**§271-1 Declaration of policy.** The legislature of this State recognizes and declares that the transportation of persons and of property, for commercial purposes, over the public highways of this State constitutes a business affected with the public interest. It is intended by this chapter to provide for fair and impartial regulation of such transportation in the interest of preserving for the public the full benefit and use of the highways consistent with the public safety and the needs of commerce; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers, to encourage the establishment and maintenance of reasonable rates and charges for transportation and related accessorial service, without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices. This chapter shall be administered and enforced with a view to carrying out the above declaration of policy.

The State finds climate change to be an existential threat to all living things. Effective 2025 no new fossil fuel vehicles will be authorized under this chapter."

SECTION 7. Section 271G-2, Hawaii Revised Statutes, is amended to read as follows:

"[~~§~~] §271G-2 [~~§~~] **Declaration of policy.** The legislature of this State recognizes and declares that the transportation of persons and of property, for commercial purposes, by water within the State or between points within the State, constitutes a business affected with the public interest. It is intended by this chapter to provide for fair and impartial regulation of such transportation, so administered as to recognize and preserve the inherent advantages of such transportation, in the interest of preserving for the public the full benefit and use of the waterways consistent with the public safety and the needs of commerce: to promote safe, adequate, economical, and efficient service among carriers, to encourage the establishment and maintenance of reasonable rates and charges for transportation and related accessorial service, without unjust discrimination, undue preference or advantage, or unfair or destructive competitive practices, all to the end of developing, coordinating, and preserving a sound transportation system by water. This chapter shall be administered and enforced with a view to carrying out the above declaration of policy.

The State finds climate change to be an existential threat to all living things. Effective 2025 no water carrier will be authorized under this chapter unless it has a fossil-fuel phase-out plan that was approved by the Commission."

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

SECTION 9. This Act shall take effect upon its approval.

INTRODUCED BY: _____

JAN 2 2 2020

H.B. NO. 2396

Report Title:
Transportation Electrification; Climate Change; Fossil Fuel

Description:
Prohibits new fossil fuel vehicles to be used for transportation effective 2025.

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