
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1 SECTION 1. The legislature finds that accelerating the
2 development of renewable energy to reduce greenhouse gases is a
3 high priority. The legislature has enacted numerous acts to
4 achieve this objective, including:

5 (1) Act 97, Session Laws of Hawaii 2015, which established
6 a Renewable Portfolio Standards target of one hundred
7 per cent renewable electric energy by 2045;

8 (2) Act 15, Session Laws of Hawaii 2018, which established
9 a statewide zero emissions clean economy target to
10 sequester more atmospheric carbon and greenhouse gases
11 than emitted within the State as quickly as
12 practicable, but no later than 2045; and

13 (3) Act 23, Session Laws of Hawaii 2020, which prohibited
14 the further use of coal in Hawaii for electricity
15 production to advance these goals.

16 Accordingly, the legislature finds that the development and
17 completion of renewable energy is also a high priority.



1 The public utilities commission (PUC) has expressed
2 concerns regarding the significant delay in the interconnection
3 process related to the Hawaiian Electric Company's (HECO) bid
4 solicitation for utility-scale renewable energy, Request for
5 Procurement (RFP) Phase 1. Efforts will need to be made to
6 avoid similar delays in RFP Phase 2. For example, in a
7 November 13, 2020, letter issued to the Service Lists in Docket
8 Nos. 2015-0389 (Community Based Renewable Energy), 2017-0352
9 (HECO's RFP Phases 1 and 2), and 2018-0165 (Integrated Grid
10 Planning), the PUC stated that it "is markedly concerned that
11 Hawaiian Electric's interconnection processes and policies are
12 increasing development costs and extending renewable project
13 timelines."

14 In addition, in Docket No. 2018-0088 (Performance Based
15 Regulation), the PUC issued Order No. 37507 on December 23,
16 2020, indicating that it was concerned about interconnection
17 delays and implemented a Performance Incentive Mechanism to
18 encourage HECO to accelerate the interconnection process. The
19 order also stated that "the scheduled retirement of the AES
20 power plant in 2022, as well as [HECO's] proposal to delay
21 interconnecting several renewable energy and storage projects



1 recently approved by the [PUC], underscores the need for
2 expeditiously securing alternative sources of grid services to
3 ensure that system needs are met."

4 In RFP Phase 1, the power purchase agreement applications
5 for the first seven of eight renewable energy projects were
6 submitted by HECO to the PUC for the approval in December 2018,
7 and the eighth was submitted in February 2019. However, HECO
8 did not submit the interconnection transmission line requests
9 for approval until some eighteen and twenty-one months later for
10 five of the projects. As of January 2021, HECO has still not
11 submitted requests for approval for two projects. In September
12 2020, HECO indicated for the first time that one project did not
13 require an interconnection transmission line.

14 The legislature finds that there have been significant
15 delays for HECO to complete its interconnection process so that
16 utility-scale renewable energy projects know how it may
17 interconnect with HECO's electric grid and begin construction.

18 The legislature finds that facilitating the timing of
19 interconnection will not only help to bring utility-scale
20 renewable energy projects online sooner, but also will:



- 1 (1) Decrease electricity rates for consumers by providing
- 2 project developers added certainty regarding timing to
- 3 lower bid pricing;
- 4 (2) Help to achieve the State's renewable portfolio
- 5 standard goals in a timely manner; and
- 6 (3) Help to reduce greenhouse gas emissions earlier to
- 7 mitigate climate change.

8 The purpose of this Act is to facilitate the timely
9 interconnection of utility-scale renewable energy projects.

10 SECTION 2. Section 269-142, Hawaii Revised Statutes, is
11 amended by amending subsections (a) and (b) to read as follows:

12 "(a) The commission [~~may~~] shall adopt, by rule or order,
13 reliability standards and interconnection requirements.

14 Reliability standards and interconnection requirements adopted
15 by the commission shall apply to any electric utility and any
16 user, owner, or operator of the Hawaii electric system. The
17 commission shall not contract for the performance of the
18 functions under this subsection to any other entity as provided
19 under section 269-147.

20 (b) The commission [~~may~~] shall develop reliability
21 standards and interconnection requirements as it determines



1 necessary or upon recommendation from any entity, including an
 2 entity contracted by the commission to serve as the Hawaii
 3 electricity reliability administrator provided for under this
 4 part, for the continuing reliable design and operation of the
 5 Hawaii electric system. Any reliability standard or
 6 interconnection requirement developed by the commission shall be
 7 adopted by the commission in accordance with subsection (a) [~~in~~
 8 ~~order~~] to be effective. The commission shall not contract for
 9 the performance of the functions under this subsection to any
 10 other entity as provided under section 269-147."

11 SECTION 3. Section 269-145, Hawaii Revised Statutes, is
 12 amended to read as follows:

13 " ~~[§]269-145[§]~~ **Grid access; procedures for**
 14 **interconnection; dispute resolution.** (a) Each user, owner, or
 15 operator of the Hawaii electric system, or any other person,
 16 business, or entity seeking to make an interconnection on the
 17 Hawaii electric system shall do so in accordance with procedures
 18 to be established by the commission by rule or order.

19 (b) The interconnection procedures established by the
 20 commission shall require electric public utilities to:

21 (1) Complete the interconnection design;



1 (2) Reach agreement with the renewable energy project
2 developer; and
3 (3) File a request for interconnection or line extension
4 approval, if required,
5 with the commission as soon as practicable, but no later than
6 two hundred seventy days after the renewable energy project
7 power purchase agreement is filed with the commission for review
8 and approval; provided that the electric public utility shall
9 submit interim reports to the commission on the status of
10 complying with the requirements of this subsection both ninety
11 days and one hundred eighty days after the renewable energy
12 project power purchase agreement is filed with the commission
13 for review and approval; provided further that if the electric
14 public utility is unable to comply with the requirements of this
15 subsection, the electric public utility shall report in writing
16 the reasons therefore to the commission within ten calendar days
17 after the expiration to the two hundred seventy-day period.

18 If the electric public utility fails to meet the
19 requirements within the two hundred seventy-day period, the
20 electric public utility shall forfeit and return all monies or
21 other financial incentives it has received as part of any



1 performance incentive mechanism program or similar incentive-
2 based award recognized by the commission in connection with the
3 renewable energy project. The commission shall report to the
4 legislature and the governor the failure to meet the timing
5 under this subsection by any electric public utility within
6 thirty days after first being notified of such failure.

7 Upon the filing of a request for interconnection or line
8 extension approval by an electric public utility under this
9 subsection shall either approve or not approve the request
10 within one hundred twenty days of the filing of the request.

11 This subsection shall only apply to utility-scale renewable
12 energy projects that are five megawatts in total output capacity
13 or larger.

14 ~~[(b)]~~ (c) The commission shall have the authority to make
15 final determinations regarding any dispute between any user,
16 owner, or operator of the Hawaii electric system, or any other
17 person, business, or entity connecting to the Hawaii electric
18 system, concerning either an existing interconnection on the
19 Hawaii electric system or an interconnection to the Hawaii
20 electric system created under the processes established by the
21 commission under this section."



1 SECTION 4. Section 269-146, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The commission [~~may~~] shall require, by rule or order,
4 that all utilities, persons, businesses, or entities connecting
5 to the Hawaii electric system, or any other user, owner, or
6 operator of any electric element that is a part of an
7 interconnection on the Hawaii electric system shall pay a
8 surcharge that shall be collected by Hawaii's electric
9 utilities. The commission shall not contract or otherwise
10 delegate the ability to create the Hawaii electricity
11 reliability surcharge under this section to any other entity.
12 This surcharge amount shall be known as the Hawaii electricity
13 reliability surcharge."

14 SECTION 5. Section 269-147, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) The commission [~~may~~] shall contract for the
17 performance of its functions under this part with a person,
18 business, or organization, except for a public utility as
19 defined under this chapter, that will serve as the Hawaii
20 electricity reliability administrator provided for under this
21 part; provided that the commission shall not contract for the



1 performance of its functions under sections 269-142(a) and (b)
2 and 269-146."

3 SECTION 6. Section 269-149, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[+]§269-149[+] **Funding; reporting.** (a) The Hawaii
6 electricity reliability administrator shall use funds collected
7 through the Hawaii electricity reliability surcharge provided
8 for under section 269-146 to carry out its operations, including
9 administrative, technological, or other related requirements for
10 effectively ensuring the reliability of the Hawaii electric
11 system.

12 (b) The Hawaii electricity reliability administrator shall
13 report to the commission each year on the date of agreement
14 under section 269-147 following the original contracting between
15 the Hawaii electricity reliability administrator and the
16 commission on the status of its operations, financial position,
17 and a projected operational budget for the fiscal year following
18 the date of the report.

19 (c) The Hawaii electricity reliability administrator shall
20 be subject to regulation by the commission under any provision
21 applicable to a public utility in sections 269-7, 269-8,



1 269-8.2, 269-8.5, 269-9, 269-10, 269-13, 269-15, 269-19.5, and
2 269-28. Notwithstanding any other provision of law to the
3 contrary, the Hawaii electricity reliability administrator shall
4 not be an electric public utility or an electric public utility
5 affiliate.

6 (d) Within thirty days of receipt of the report provided
7 by the Hawaii electric reliability administrator to the
8 commission under this section, the commission shall submit the
9 report to the legislature along with the commission's assessment
10 of the status and progress of the Hawaii electric reliability
11 administrator in achieving and accomplishing the objectives of
12 this part."

13 SECTION 7. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 8. This Act shall take effect upon its approval.

16

INTRODUCED BY: *Miss E. Lowen*
JAN 20 2021



H.B. NO. 115

Report Title:

Renewable Energy; Transmission Lines; Timely Interconnection

Description:

Facilitates the timely interconnection and transmission lines for renewable energy projects.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

