
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 Act 97, Session Laws
2 of Hawaii 2015, established a renewable portfolio standards
3 target of one hundred per cent renewable electric energy by
4 2045. The legislature also enacted Act 15, Session Laws of
5 Hawaii 2018, into law, establishing a statewide zero emissions
6 clean economy target to sequester more atmospheric carbon and
7 greenhouse gases than emitted within the State as quickly as
8 practicable, but no later than 2045.

9 In order to move the State closer to its carbon negative
10 target as soon as possible, which is needed to mitigate the
11 damaging effects of projected sea level rise due to greenhouse
12 gas emissions, the legislature further finds that continual
13 progress and the timely approval, commencement of construction,
14 and completion of renewable energy projects is of paramount
15 importance.

16 The legislature also finds that Act 23, Session Laws of
17 Hawaii 2020, prohibited the further use of coal in Hawaii for



1 electricity production to advance these goals. While the
2 legislature supports the scheduled retirement of the largest
3 single source, lowest cost energy on Oahu, and last coal power
4 plant in the State, the legislature also understands that the
5 reliability of the electric grid is now in jeopardy unless more
6 renewable energy projects capable of replacing the total energy
7 lost by the coal power plant can be delivered into the system
8 prior to the coal power plant's retirement.

9 The legislature further finds that renewable energy
10 projects take multiple years to develop. In June 2016, Hawaiian
11 Electric Co., Inc., requested that the public utilities
12 commission open a docket to review approval requests relating to
13 it's plan to acquire new renewable generation on the islands of
14 Oahu, Hawaii, Maui, Molokai, and Lanai. In February 2018, the
15 public utilities commission approved Hawaiian Electric Co.,
16 Inc.'s request for proposal phase 1. This was followed by bids
17 selected and power purchase agreements for the first seven of
18 eight projects that were submitted by Hawaiian Electric Co.,
19 Inc., to the public utilities commission for approval in
20 December 2018, with the eighth project submitted in February
21 2019. While seven of these eight projects were approved by the



1 public utilities commission in approximately three months, it
2 took approximately twenty-one months to approve one of these
3 projects.

4 In addition, Hawaiian Electric Co., Inc., did not submit
5 the interconnection transmission line requests for approval
6 until some eighteen to twenty-one months later for five of the
7 projects; has still yet to submit requests for approval for two
8 projects as of January 2021; and indicated for the first time in
9 September 2020 that one project did not require an
10 interconnection transmission line.

11 In addition, although the first of the interconnection
12 transmission line requests for approval was filed with the
13 public utilities commission in August 2020, five months have
14 passed and the request has not been approved. Renewable project
15 developers must wait until their projects have received approval
16 from the public utilities commission for the power purchase
17 agreement and the interconnection transmission line in order to
18 obtain financing or expend significant moneys to begin
19 construction of their respective projects. Accordingly, any
20 delays in receiving both approvals from the public utility



1 commission typically result in a delay in the start of
2 construction of the renewable energy project.

3 The following table illustrates the ongoing interconnection
4 delays.

RFP 1 PUC Docket Transmission Line Approval Timelines					
Docket No.	Project Name	PPA Application Date	PPA Approval Date	Transmission Line Approval Request Date	Transmission Line Approval Date
2018-0430	AES Waikoloa Solar	12/31/2018	3/25/2019	8/31/2020	Not yet approved (as of 1/5/2021).
2018-0431	Hoohana Solar 1	12/31/2018	3/25/2019	Not yet filed (as of 1/5/2021).	Not yet approved (as of 1/5/2021).
2018-0432	Hale Kuawehi Solar	12/31/2018	3/25/2019	9/4/2020	Not yet approved (as of 1/5/2021).
2018-0433	Paeahu Solar	12/31/2018	10/5/2020	10/29/2020	Not yet approved (as of 1/5/2021).
2018-0434	Mililani I Solar	12/31/2018	3/25/2019	Informed PUC Transmission Line not required. (9/18/2020)	Not applicable
2018-0435	Waiawa Solar Power	12/31/2018	3/25/2019	10/9/2020	Not yet approved (as of 1/5/2021).
2018-0436	AES Kuihelani Solar	12/31/2018	3/25/2019	Not yet filed (as of 1/5/2020)	Not yet approved (as of 1/5/2021).
2019-0050	AES West Oahu	2/28/2019	8/20/2019	9/8/2020	Not yet approved (as of 1/5/2021).



1 In addition, three of Hawaiian Electric Co., Inc.'s request
2 for proposal phase two projects have been approved in three and
3 a half months, while eight projects are currently being reviewed
4 by the public utilities commission for approval and have
5 procedural schedules set by the public utilities commission
6 indicating that decision-making will go beyond six months,
7 despite the majority of request for proposal phase one projects
8 only requiring approximately three months for a decision to be
9 made.

10 The legislature finds that there have been significant
11 delays for Hawaiian Electric Co., Inc., to complete its
12 interconnection process so that utility-scale renewable energy
13 projects know how they may interconnect with Hawaiian Electric
14 Co., Inc.'s electric grid, and at what cost, before beginning
15 construction.

16 The legislature finds that facilitating the timing of
17 Hawaiian Electric Co., Inc.'s interconnection will not only help
18 bring utility-scale renewable energy projects online sooner. It
19 will also:



1 (1) Decrease electricity rates for consumers by providing
2 project developers with added certainty regarding
3 timing, which helps to lower bid pricing;

4 (2) Help achieve the State's renewable portfolio standards
5 goals in a timely manner; and

6 (3) Help reduce greenhouse gas emissions earlier in order
7 to mitigate climate change.

8 The purpose of this Act is to facilitate the timely
9 approval of renewable energy matters.

10 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§269- Electric public utility completion of
14 interconnection process. (a) The public utilities commission
15 shall require electric public utilities to complete the
16 interconnection design, reach agreement with the renewable
17 energy project developer, and file a request for interconnection
18 or transmission line approval, if required, with the commission
19 as soon as practicable but no later than two hundred seventy
20 days after the renewable energy project power purchase agreement
21 is filed with the commission for review and approval.



1 If the electric public utility is unable to complete the
2 interconnection design, reach agreement with the renewable
3 energy project developer, and file a request for interconnection
4 or transmission line approval, if required, with the commission
5 within the two hundred seventy day period, the electric public
6 utility shall report in writing the reasons therefor to the
7 commission within ten calendar days after the expiration of the
8 two hundred seventy day period.

9 If the electric public utility fails to meet these
10 requirements within the two hundred seventy day period, the
11 electric public utility shall forfeit and return all moneys or
12 other financial incentives it has received as part of any
13 performance incentive mechanism program or similar incentive-
14 based award recognized by the commission in connection with the
15 renewable energy project. The commission shall report to the
16 legislature and the governor the failure to meet the timing
17 under this subsection by any electric public utility within
18 thirty days after first being notified of such failure.

19 (b) Upon the filing of a request for interconnection or
20 transmission line approval by an electric public utility under
21 subsection (a), the commission shall either approve or



1 disapprove such request within one hundred twenty days of the
2 filing of the request. If the request for interconnection or
3 transmission line approval is not approved, approved with
4 modification, or disapproved by the commission within one
5 hundred twenty days, the matter shall be deemed approved by the
6 commission notwithstanding any other law to the contrary. If a
7 decision is not made within the one hundred twenty day period,
8 the commission shall report the reasons therefor to the
9 legislature and the governor in writing within thirty days after
10 the expiration of the one hundred twenty day period.

11 (c) This section shall only apply to utility-scale
12 renewable energy projects that are five megawatts in total
13 output capacity or larger and require interconnection or
14 transmission line approval by the public utilities commission.

15 (d) This section shall not apply to a member-owned
16 cooperative electric utility."

17 SECTION 3. New statutory material is underscored.

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



H.B. NO. 560 H.D. 1

Report Title:

Renewable Energy; Public Utilities Commission; Electric Public Utilities; Interconnection Process

Description:

Requires timely completion of the interconnection process by electric public utilities. Effective 7/1/2050. (HD1)

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