



GOV. MSG. NO. 1302

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 27, 2022

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty-First State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty-First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 27, 2022, the following bill was signed into law:

SB2474 SD2 HD1 CD1

RELATING TO RENEWABLE ENERGY.  
**ACT 201**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i



Approved by the Governor

on JUN 27 2022

THE SENATE  
THIRTY-FIRST LEGISLATURE, 2022  
STATE OF HAWAII

**ACT 201**  
**S.B. NO.** 2474  
S.D. 2  
H.D. 1  
C.D. 1

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## A BILL FOR AN ACT

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RELATING TO RENEWABLE ENERGY.

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

1           SECTION 1. (a) The public utilities commission shall  
2 contract with a qualified consultant to conduct a study on the  
3 accessibility of Hawaii's electric system and procedures for  
4 interconnection to Hawaii's electric system, including but not  
5 limited to the timeliness and costs of interconnection.

6           (b) The study shall apply to interconnection for renewable  
7 energy projects greater than five megawatts and any community-  
8 based renewable energy generation projects of any megawatt size  
9 from investor-owned utilities and utilities that serve counties  
10 with a population of more than one hundred thousand.

11          (c) The study shall:

12           (1) Include, but not be limited to, reliability standards  
13 to be established by the public utilities commission;

14           (2) Identify interconnection requirements and procedures  
15 for interconnection to the State's electric utility  
16 grid;

17           (3) Describe the interconnection process and who is  
18 responsible for each element of the process;





- 1           (4) Determine the reasonableness of time for each element
- 2           of the interconnection process;
- 3           (5) Determine the reasonableness of the elements and
- 4           methodology that utilities utilize to charge for
- 5           interconnection;
- 6           (6) Determine the reasonableness and equity of costs
- 7           charged to those that interconnect to an electric
- 8           utility;
- 9           (7) Include costs of interconnection by an electric
- 10          utility for the interconnection of the electric
- 11          utility's self-build projects;
- 12          (8) Include reporting and analysis over the previous seven
- 13          years of the:
- 14           (A) Timeliness of the interconnection process from
- 15           the execution of the power purchase agreement
- 16           through the interconnection completion, if
- 17           applicable, or up through the time that the last
- 18           step is completed; and
- 19           (B) Cost of interconnection of renewable energy
- 20          projects, including:





- 1 (i) The charges to those who interconnected or  
2 are in the process of interconnecting to an  
3 electric utility;
- 4 (ii) Any project management fees; and
- 5 (iii) Any other elements that are relevant in the  
6 methodology, including but not limited to  
7 the size of the project, the distance to the  
8 interconnection point;
- 9 (9) Include documentation of the delays in the  
10 interconnection process for stage 1 and stage 2  
11 renewable procurement projects, including the cause of  
12 each delay as well as the party responsible for the  
13 delay;
- 14 (10) Determine whether any elements of interconnection are  
15 currently rate-based;
- 16 (11) Determine the reasonableness of the cost of project  
17 management fees assessed by an electric utility to  
18 those entities that interconnect to the electric  
19 utility;





- 1       (12) Determine the reasonableness of requiring new or  
2       additional interconnection studies for changes in  
3       equipment;
- 4       (13) Determine what would constitute a reasonable change to  
5       cause a new or extended interconnection process;
- 6       (14) Incorporate comments from entities who connect to an  
7       electric utility in a confidential manner and be  
8       reported anonymously in the study;
- 9       (15) Report on the implementation of a Hawaii electric  
10      reliability administrator to be implemented by the  
11      public utilities commission;
- 12      (16) Evaluate the public utilities commission's progress in  
13      the implementation of a Hawaii electric reliability  
14      administrator; and
- 15      (17) Recommend statutory amendments to the laws relating to  
16      the Hawaii electric reliability administrator.
- 17      (d) The study shall include recommendations on:
- 18      (1) Reliability standards that should be considered and  
19      imposed by the public utilities commission on an  
20      electric utility;
- 21      (2) Interconnection procedures;





- 1           (3) Reasonable timelines for an electric utility and an  
2           entity that interconnects;
- 3           (4) How the public utilities commission can monitor the  
4           interconnection process;
- 5           (5) Processes, data tools, and reporting requirements by  
6           the electric utility;
- 7           (6) How interconnection costs can be provided to  
8           developers prior to the utility procurement process or  
9           how to adjust for changes to the power purchase  
10          agreement to reflect interconnection costs;
- 11          (7) Mechanisms to be imposed by the public utilities  
12          commission and the legislature to improve the  
13          timeliness of the interconnection process and the  
14          reasonableness of cost;
- 15          (8) A process to provide transparency in interconnection  
16          costs;
- 17          (9) Processes for the public utility commission to oversee  
18          and approve the cost and timeliness of  
19          interconnection;





- 1       (10) Whether interconnection costs should be regulated,  
2       tariffed, or rate-based for consistency and  
3       transparency;
- 4       (11) Whether performance incentives, penalties, or both,  
5       should be imposed on an electric utility for timely  
6       and cost-effective interconnection;
- 7       (12) The reasonable interconnection events that would  
8       require modification to this study;
- 9       (13) The reasonable timelines for modification caused by an  
10      electric utility or an entity that interconnects to  
11      the State's electric utility grid;
- 12      (14) Resolution processes for interconnection disputes; and
- 13      (15) Processes, including administrative, technological,  
14      policy, or other related requirements for ensuring  
15      effective reliability of the Hawaii electric system  
16      and interconnection process.
- 17      (e) The public utilities commission shall submit the study  
18      required by this Act and a report, including its progress in  
19      contracting an entity to serve as the Hawaii electric  
20      reliability administrator pursuant to section 269-147, Hawaii





1 Revised Statutes, to the legislature no later than twenty days  
2 prior to the convening of the regular session of 2023.

3 SECTION 2. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$100,000 or so much  
5 thereof as may be necessary for fiscal year 2022-2023 for the  
6 public utilities commission to contract with a qualified  
7 consultant to conduct a study on the accessibility of and  
8 procedures for interconnection to Hawaii's electric system.

9 The sum appropriated shall be expended by the public  
10 utilities commission for the purposes of this Act.

11 SECTION 3. This Act shall take effect on July 1, 2022.





S.B. NO. 2474  
S.D. 2  
H.D. 1  
C.D. 1

APPROVED this 27th day of June, 2022

A handwritten signature in black ink, reading "David Y. Ige". The signature is fluid and cursive, with a large, sweeping "Y" and a long, horizontal stroke at the end.

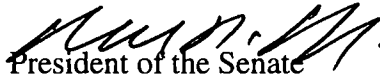
GOVERNOR OF THE STATE OF HAWAII




**THE SENATE OF THE STATE OF HAWAI‘I**

Date: May 3, 2022  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate  
of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.

  
President of the Senate

  
Clerk of the Senate



SB No. 2474, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 3, 2022  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives