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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. The legislature finds that at the COP26 climate  
2 conference in Scotland in 2021, the United States, along with  
3 other nations, committed to hold global warming to 1.5 degrees  
4 celsius to avoid some, but not all, of the threats posed by  
5 climate change. The legislature also finds that renewable  
6 energy projects should produce less carbon than the projects  
7 avoid.

8           The legislature notes that on November 5, 2021, Hawaiian  
9 Electric Company announced a goal to cut carbon emissions from  
10 power generation by seventy per cent by 2030, compared to 2005  
11 levels. The reduction goal includes generation owned by  
12 Hawaiian Electric Company and independent power producers who  
13 sell electricity to the utility. The legislature recognizes  
14 that Hawaiian Electric Company has also committed to achieving  
15 net zero or net negative carbon emissions from power generation  
16 by 2045 or sooner, which means that any emissions produced will  
17 be captured or offset. The legislature believes that this goal



1 is a commendable objective. The legislature further finds that  
2 pursuant to chapter 225P, Hawaii Revised Statutes, the State has  
3 a goal to sequester more atmospheric carbon and greenhouse gases  
4 than emitted within the State as quickly as practicable, but no  
5 later than 2045.

6 Accordingly, the purpose of this Act is to:

- 7 (1) Include as an objective in energy-related planning for  
8 the State's facility systems that all new utility  
9 scale electricity generation projects be renewable;
- 10 (2) Include state policies that ensure short- and long-  
11 term provision of adequate, reasonably priced, and  
12 dependable renewable energy services, prioritizing the  
13 dispatch of renewable energy generation;
- 14 (3) Update the State's policies to ensure that all new  
15 utility scale electricity generation projects are  
16 renewable, prioritize renewable energy generation, and  
17 include the use of non-fossil fuel sources in the  
18 development or expansion of energy systems; and
- 19 (4) Appropriate moneys for the natural energy institute at  
20 the university of Hawaii to study the costs of  
21 dispatching renewable energy resources.



1 SECTION 2. Section 226-18, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§226-18 Objectives and policies for facility systems--  
4 energy. (a) Planning for the State's facility systems with  
5 regard to energy shall be directed toward the achievement of the  
6 following objectives, giving due consideration to all:

7 (1) Dependable, efficient, and economical statewide energy  
8 systems capable of supporting the needs of the people;

9 (2) Increased energy security and self-sufficiency through  
10 the reduction and ultimate elimination of Hawaii's  
11 dependence on imported fuels for electrical generation  
12 and ground transportation;

13 (3) Greater diversification of energy generation in the  
14 face of threats to Hawaii's energy supplies and  
15 systems;

16 (4) Reduction, avoidance, or sequestration of greenhouse  
17 gas emissions from energy supply and use[+] by  
18 ensuring that all new utility scale electricity  
19 generation projects shall be renewable; and

20 (5) Utility models that make the social and financial  
21 interests of Hawaii's utility customers a priority.



1 (b) To achieve the energy objectives, it shall be the  
2 policy of this State to ensure the short- and long-term  
3 provision of adequate, reasonably priced, and dependable  
4 renewable energy services to accommodate demand.

5 (c) To further achieve the energy objectives, it shall be  
6 the policy of this State to:

7 (1) Support research and development as well as promote  
8 the use of renewable energy sources;

9 (2) Ensure that the combination of energy supplies and  
10 energy-saving systems is sufficient to support the  
11 demands of growth[+] while prioritizing the dispatch  
12 of renewable energy generation;

13 (3) Base decisions of least-cost supply-side and demand-  
14 side energy resource options on a comparison of their  
15 total costs and benefits when a least-cost is  
16 determined by a reasonably comprehensive,  
17 quantitative, and qualitative accounting of their  
18 long-term, direct and indirect economic,  
19 environmental, social, cultural, and public health  
20 costs and benefits[+], including but not limited to



- 1           the benefits of non-fossil fuel sources to maximize  
2           the reduction in consumption of fossil fuels;
- 3           (4) Promote all cost-effective conservation of power and  
4           fuel supplies through measures, including:
- 5           (A) Development of cost-effective demand-side  
6           management programs;
- 7           (B) Education;
- 8           (C) Adoption of energy-efficient practices and  
9           technologies; and
- 10           (D) Increasing energy efficiency and decreasing  
11           energy use in public infrastructure;
- 12           (5) Ensure, to the extent that new supply-side resources  
13           are needed, that the development or expansion of  
14           energy systems uses [~~the least cost energy supply~~  
15           ~~option and~~] non-fossil fuel sources, maximizes  
16           efficient technologies[+], and considers the least-  
17           cost energy supply option;
- 18           (6) Support research, development, demonstration, and use  
19           of energy efficiency, load management, and other  
20           demand-side management programs, practices, and  
21           technologies;



- 1           (7) Promote alternate fuels and transportation energy
- 2                   efficiency;
- 3           (8) Support actions that reduce, avoid, or sequester
- 4                   greenhouse gases in utility, transportation, and
- 5                   industrial sector applications;
- 6           (9) Support actions that reduce, avoid, or sequester
- 7                   Hawaii's greenhouse gas emissions through agriculture
- 8                   and forestry initiatives;
- 9           (10) Provide priority handling and processing for all state
- 10                   and county permits required for renewable energy
- 11                   projects;
- 12           (11) Ensure that liquefied natural gas is used only as a
- 13                   cost-effective transitional, limited-term replacement
- 14                   of petroleum for electricity generation and does not
- 15                   impede the development and use of other cost-effective
- 16                   renewable energy sources; and
- 17           (12) Promote the development of indigenous geothermal
- 18                   energy resources that are located on public trust land
- 19                   as an affordable and reliable source of firm power for
- 20                   Hawaii."



1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$100,000 or so much  
3 thereof as may be necessary for fiscal year 2022-2023 for the  
4 Hawaii natural energy institute to evaluate the benefits and  
5 costs of dispatching renewable energy resources; provided that  
6 the sum be deducted from the portion of the environmental  
7 response, energy, and food security tax established pursuant to  
8 section 243-3.5, Hawaii Revised Statutes, that is deposited into  
9 the energy systems development special fund established pursuant  
10 to section 304A-2169.1, Hawaii Revised Statutes.

11 The sum appropriated shall be expended by the University of  
12 Hawaii for the purposes of this Act.

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

15 SECTION 5. This Act shall take effect on July 1, 2022.



**Report Title:**

University of Hawaii; Hawaii Natural Energy Institute; Renewable Energy; Utility Scale Electricity Generating Projects

**Description:**

Includes as an objective in energy-related planning for the State's facility systems that all new utility scale electricity generation projects be renewable. Includes state policies that ensure short- and long-term provision of adequate, reasonably priced, and dependable renewable energy services, prioritizing the dispatch of renewable energy generation. Updates the State's policies to ensure that all new utility scale electricity generation projects are renewable, prioritize renewable energy generation, and include the use of non-fossil fuel sources in the development or expansion of energy systems. Earmarks moneys from the portion of the environmental response, energy, and food security tax that is deposited into the energy systems development special fund. (SD1)

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