
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 because of its goal
2 to achieve one hundred per cent renewable energy by 2045, Hawaii
3 now leads other states in nearly every category of renewable
4 energy. Notwithstanding such progress, the State continues to
5 depend heavily upon imported petroleum for its energy needs,
6 using approximately the same amount of fossil fuel for
7 electricity generation in 2020 as 2010, falling short of its
8 ambitious renewable energy goals.

9 The legislature further finds that the production of clean
10 electricity may be encouraged if independent generators of clean
11 electricity can engage in retail wheeling. Retail wheeling
12 occurs when electric power is transmitted from one independent
13 generator of renewable energy to users of renewable energy over
14 the existing transmission lines of a third-party electric public
15 utility. Through retail wheeling, users of renewable energy,
16 including the State and the counties, could acquire clean
17 electricity by purchasing it from a clean electricity project



1 developer, then transmitting the clean electricity across
2 utility lines owned and maintained by a third-party electric
3 public utility, while fairly compensating the third-party
4 utility for utilizing its existing infrastructure.

5 The purpose of this Act is to authorize independent
6 generators of renewable energy to wheel the renewable
7 electricity they produce pursuant to administrative rules
8 established by the public utilities commission.

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

12 "§269- Retail wheeling; renewable energy; rules. (a)
13 Independent renewable energy generators may engage in retail
14 wheeling of the renewable electricity produced at their own
15 facilities.

16 (b) No later than December 31, 2023, the public utilities
17 commission shall establish any necessary rules, pursuant to
18 chapter 91, to implement retail wheeling, including any
19 appropriate rate to charge the clean electricity project
20 developer, independent renewable energy generator, or user of
21 renewable energy for retail wheeling.



1 (c) The public utilities commission shall evaluate the
2 need to adopt customer protection measures and may disallow a
3 wheeling project if the commission determines that the project
4 is:

5 (1) Detrimental to the safe and reliable operation of an
6 electric grid;

7 (2) Detrimental to other customers, such as if other
8 customers might be required to subsidize the wheeling
9 arrangement; or

10 (3) Not in the public interest.

11 (d) For the purposes of this section, "retail wheeling"
12 means the transmission of electric power from an independent
13 renewable energy generators' point of generation over existing
14 transmission lines, distribution lines, and other facilities of
15 a third-party electric public utility to the facilities of a
16 user of renewable energy."

17 SECTION 3. Section 269-1, Hawaii Revised Statutes, is
18 amended by amending the definition of "public utility" to read
19 as follows:

20 ""Public utility":



- 1 (1) Includes every person who may own, control, operate,
2 or manage as owner, lessee, trustee, receiver, or
3 otherwise, whether under a franchise, charter,
4 license, articles of association, or otherwise, any
5 plant or equipment, or any part thereof, directly or
6 indirectly for public use for the transportation of
7 passengers or freight; for the conveyance or
8 transmission of telecommunications messages; for the
9 furnishing of facilities for the transmission of
10 intelligence by electricity within the State or
11 between points within the State by land, water, or
12 air; for the production, conveyance, transmission,
13 delivery, or furnishing of light, power, heat, cold,
14 water, gas, or oil; for the storage or warehousing of
15 goods; or for the disposal of sewage; provided that
16 the term shall include:
- 17 (A) An owner or operator of a private sewer company
 - 18 or sewer facility; and
 - 19 (B) A telecommunications carrier or
 - 20 telecommunications common carrier; and
- 21 (2) Shall not include:



- 1 (A) An owner or operator of an aerial transportation
2 enterprise;
- 3 (B) An owner or operator of a taxicab as defined in
4 this section;
- 5 (C) Common carriers that transport only freight on
6 the public highways, unless operating within
7 localities, along routes, or between points that
8 the public utilities commission finds to be
9 inadequately serviced without regulation under
10 this chapter;
- 11 (D) Persons engaged in the business of warehousing or
12 storage unless the commission finds that
13 regulation is necessary in the public interest;
- 14 (E) A carrier by water to the extent that the carrier
15 enters into private contracts for towage,
16 salvage, hauling, or carriage between points
17 within the State; provided that the towing,
18 salvage, hauling, or carriage is not pursuant to
19 either an established schedule or an undertaking
20 to perform carriage services on behalf of the
21 public generally;



- 1 (F) A carrier by water, substantially engaged in
- 2 interstate or foreign commerce, that transports
- 3 passengers on luxury cruises between points
- 4 within the State or on luxury round-trip cruises
- 5 returning to the point of departure;
- 6 (G) Any user, owner, or operator of the Hawaii
- 7 electric system as defined under section 269-141;
- 8 (H) A telecommunications provider only to the extent
- 9 determined by the public utilities commission
- 10 pursuant to section 269-16.9;
- 11 (I) Any person who controls, operates, or manages
- 12 plants or facilities developed pursuant to
- 13 chapter 167 for conveying, distributing, and
- 14 transmitting water for irrigation and other
- 15 purposes for public use and purpose;
- 16 (J) Any person who owns, controls, operates, or
- 17 manages plants or facilities for the reclamation
- 18 of wastewater; provided that:
- 19 (i) The services of the facility are provided
- 20 pursuant to a service contract between the
- 21 person and a state or county agency and at



1 least ten per cent of the wastewater
2 processed is used directly by the state or
3 county agency that entered into the service
4 contract;

5 (ii) The primary function of the facility is the
6 processing of secondary treated wastewater
7 that has been produced by a municipal
8 wastewater treatment facility owned by a
9 state or county agency;

10 (iii) The facility does not make sales of water to
11 residential customers;

12 (iv) The facility may distribute and sell
13 recycled or reclaimed water to entities not
14 covered by a state or county service
15 contract; provided that, in the absence of
16 regulatory oversight and direct competition,
17 the distribution and sale of recycled or
18 reclaimed water shall be voluntary and its
19 pricing fair and reasonable. For purposes
20 of this subparagraph, "recycled water" and
21 "reclaimed water" means treated wastewater



1 that by design is intended or used for a
2 beneficial purpose; and
3 (v) The facility is not engaged, either directly
4 or indirectly, in the processing of food
5 wastes;
6 (K) Any person who owns, controls, operates, or
7 manages any seawater air conditioning district
8 cooling project; provided that at least fifty per
9 cent of the energy required for the seawater air
10 conditioning district cooling system is provided
11 by a renewable energy resource, such as cold,
12 deep seawater;
13 (L) Any person who owns, controls, operates, or
14 manages plants or facilities primarily used to
15 charge or discharge a vehicle battery that
16 provides power for vehicle propulsion;
17 (M) Any person who:
18 (i) Owns, controls, operates, or manages a
19 renewable energy system that is located on a
20 customer's property; and



1 (ii) Provides, sells, or transmits the power
2 generated from that renewable energy system
3 to an electric utility or to the customer on
4 whose property the renewable energy system
5 is located; provided that, for purposes of
6 this subparagraph, a customer's property
7 shall include all contiguous property owned
8 or leased by the customer without regard to
9 interruptions in contiguity caused by
10 easements, public thoroughfares,
11 transportation rights-of-way, and utility
12 rights-of-way; and

13 (N) Any person who owns, controls, operates, or
14 manages a renewable energy system that is located
15 on such person's property and provides, sells, or
16 transmits the power generated from that renewable
17 energy system to an electric utility or to
18 lessees or tenants on the person's property where
19 the renewable energy system is located; provided
20 that:



- 1 (i) An interconnection, as defined in section
2 269-141, is maintained with an electric
3 public utility to preserve the lessees' or
4 tenants' ability to be served by an electric
5 utility;
- 6 (ii) Such person does not use an electric public
7 utility's transmission or distribution lines
8 to provide, sell, or transmit electricity to
9 lessees or tenants;
- 10 (iii) At the time that the lease agreement is
11 signed, the rate charged to the lessee or
12 tenant for the power generated by the
13 renewable energy system shall be no greater
14 than the effective rate charged per kilowatt
15 hour from the applicable electric utility
16 schedule filed with the public utilities
17 commission;
- 18 (iv) The rate schedule or formula shall be
19 established for the duration of the lease,
20 and the lease agreement entered into by the



1 lessee or tenant shall reflect such rate
2 schedule or formula;
3 (v) The lease agreement shall not abrogate any
4 terms or conditions of applicable tariffs
5 for termination of services for nonpayment
6 of electric utility services or rules
7 regarding health, safety, and welfare; and
8 (vi) The lease agreement shall disclose: (1) the
9 rate schedule or formula for the duration of
10 the lease agreement; (2) that, at the time
11 that the lease agreement is signed, the rate
12 charged to the lessee or tenant for the
13 power generated by the renewable energy
14 system shall be no greater than the
15 effective rate charged per kilowatt hour
16 from the applicable electric utility
17 schedule filed with the public utilities
18 commission; (3) that the lease agreement
19 shall not abrogate any terms or conditions
20 of applicable tariffs for termination of
21 services for nonpayment of electric utility



1 services or rules regarding health, safety,
 2 and welfare; and (4) whether the lease is
 3 contingent upon the purchase of electricity
 4 from the renewable energy system; provided
 5 further that any disputes concerning the
 6 requirements of this provision shall be
 7 resolved pursuant to the provisions of the
 8 lease agreement or chapter 521, if
 9 applicable[; and

10 ~~(vii) Nothing in this section shall be construed~~
 11 ~~to permit wheeling]."~~

12 SECTION 4. The public utilities commission shall submit a
 13 report of its findings and recommendations on retail wheeling
 14 pursuant to section 269- , Hawaii Revised Statutes, including
 15 any proposed legislation, to the legislature no later than
 16 twenty days prior to the convening of the regular session of
 17 2024.

18 SECTION 5. Statutory material to be repealed is bracketed
 19 and stricken. New statutory material is underscored.

20 SECTION 6. This Act shall take effect on July 1, 2100.



H.B. NO. 1595 H.D. 1

Report Title:

Public Utilities Commission; Retail Wheeling; Renewable Energy;
Clean Electricity

Description:

Authorizes independent generators of renewable energy to wheel the renewable electricity they produce to users of renewable energy pursuant to administrative rules established by the public utilities commission. Requires the public utilities commission to submit a report to the legislature prior to the regular session of 2024. Effective 7/1/2100. (HD1)

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

