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## A BILL FOR AN ACT

RELATING TO EXTENDING THE RENEWABLE ENERGY TRANSITION TIMELINE  
AND GOAL.

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

1           SECTION 1. The Legislature finds that the cost of living  
2 in Hawaii is continuing to rise. The price of electricity has  
3 drastically increased by almost forty per cent in the last year  
4 in part because of the forced closure of Oahu's coal plant to  
5 meet the renewable energy goals set by this Legislature.

6           Along with concerns on cost effectiveness, there are also  
7 concerns that Hawaii needs to have firm energy capabilities for  
8 exigent circumstances where renewable power is not available,  
9 such as during hurricanes and other natural disasters. In  
10 support of this is testimony for SB2510 - 2022 from University  
11 of Hawaii Manoa that says, "Specifically, detailed modeling of  
12 grid operations shows that the availability of small fossil-fuel  
13 generators that run sparingly can, under some circumstances,  
14 improve grid reliability and allow reduced usage and even faster  
15 retirement of aging oil units resulting in a net system wide  
16 fossil fuel reduction. While these flexible firm units should be



1 required to operate using cost-effective renewable fuels  
2 whenever they are available; operation using fossil fuels when  
3 they are not may still move us toward our low GHG objectives and  
4 improve reliability." Hawaiian Electric also testified,  
5 "Mandating a switch to renewable fuels may also cause a  
6 significant burden to underserved communities in cases where  
7 renewable fuels are significantly more expensive than fossil  
8 fuels, there should be flexibility to use multiple types of  
9 fuels in the best interest of customers. Having fuel flexibility  
10 and not being limited to renewable only fuels (i.e., biomass or  
11 biofuel) would make for a more resilient grid where new utility  
12 scale generation that is added would have that flexibility  
13 should a hurricane, major supply chain issue, fallen trees after  
14 a storm, or geopolitical events affect the supply of renewable  
15 fuels, and in the event solar and wind plants are damaged.  
16 Underserved communities would be disproportionately affected in  
17 this situation as these communities are less likely have the  
18 means to be energy self-sufficient during these times. "

19 The purpose of this act is to:

- 20 (1) Allow for the use of firm energy sources as part of the  
21 State's clean energy initiative program; and



1 (2) Extend the timeline for the State's renewable energy  
2 goals.

3 SECTION 2. Section 269-92, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§269-92 Renewable portfolio standards.** (a) Each  
6 electric utility company that sells electricity for consumption  
7 in the State shall establish a renewable portfolio standard of:

8 (1) Ten per cent of its net electricity sales by December  
9 31, 2010;

10 (2) Fifteen per cent of its net electricity sales by  
11 December 31, 2015;

12 (3) Thirty per cent of its net electricity sales by  
13 December 31, 2020;

14 (4) Forty per cent of its net electricity generation by  
15 December 31, 2030;

16 (5) [~~Seventy~~] Sixty per cent of its net electricity  
17 generation by December 31, [~~2040~~] 2050; and

18 (6) [~~One hundred~~] Eighty per cent of its net electricity  
19 generation by December 31, [~~2045~~] 2070.

20 (b) The public utilities commission may establish  
21 standards for each electric utility company that prescribe the



1 portion of the renewable portfolio standards that shall be met  
2 by specific types of renewable energy resources; provided that:

3 (1) Before January 1, 2015, at least fifty per cent of the  
4 renewable portfolio standards shall be met by  
5 electrical energy generated using renewable energy as  
6 the source, and after December 31, 2014, the entire  
7 renewable portfolio standard shall be met by  
8 electrical generation from renewable energy sources;

9 (2) Beginning January 1, 2015, electrical energy savings  
10 shall not count toward renewable energy portfolio  
11 standards;

12 (3) Where electrical energy is generated or displaced by a  
13 combination of renewable and nonrenewable means, the  
14 proportion attributable to the renewable means shall  
15 be credited as renewable energy; and

16 (4) Where fossil and renewable fuels are co-fired in the  
17 same generating unit, the unit shall be considered to  
18 generate renewable electrical energy (electricity) in  
19 direct proportion to the percentage of the total heat  
20 input value represented by the heat input value of the  
21 renewable fuels.



1 (c) If the public utilities commission determines that an  
2 electric utility company failed to meet the renewable portfolio  
3 standard, after a hearing in accordance with chapter 91, the  
4 utility shall be subject to penalties to be established by the  
5 public utilities commission; provided that if the commission  
6 determines that the electric utility company is unable to meet  
7 the renewable portfolio standards because of reasons beyond the  
8 reasonable control of the electric utility company, as set forth  
9 in subsection (d), the commission, in its discretion, may waive  
10 in whole or in part any otherwise applicable penalties.

11 (d) Events or circumstances that are beyond an electric  
12 utility company's reasonable control may include, to the extent  
13 the event or circumstance could not be reasonably foreseen and  
14 ameliorated:

- 15 (1) Weather-related damage;
- 16 (2) Natural disasters;
- 17 (3) Mechanical or resource failure;
- 18 (4) Failure of renewable electrical energy producers to  
19 meet contractual obligations to the electric utility  
20 company;
- 21 (5) Labor strikes or lockouts;



- 1           (6)    Actions of governmental authorities that adversely  
2                    affect the generation, transmission, or distribution  
3                    of renewable electrical energy under contract to an  
4                    electric utility company;
- 5           (7)    Inability to acquire sufficient renewable electrical  
6                    energy due to lapsing of tax credits related to  
7                    renewable energy development;
- 8           (8)    Inability to obtain permits or land use approvals for  
9                    renewable electrical energy projects;
- 10          (9)    Inability to acquire sufficient cost-effective  
11                   renewable electrical energy;
- 12          (10)   Inability to acquire sufficient renewable electrical  
13                   energy to meet the renewable portfolio standard goals  
14                   beyond 2030 in a manner that is beneficial to Hawaii's  
15                   economy in relation to comparable fossil fuel  
16                   resources;
- 17          (11)   Substantial limitations, restrictions, or prohibitions  
18                   on utility renewable electrical energy projects;
- 19          (12)   Non-renewable energy generated by electric generation  
20                   facilities where the electric utility company  
21                   otherwise does not have direct control or ownership of




1 independent power producers, government and non-  
2 government agencies, and any persons or entities,  
3 including merchant or co-generation facilities; and  
4 (13) Other events and circumstances of a similar nature."

5 SECTION 3. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:



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**JAN 23 2023**



# H.B. NO. 859

**Report Title:**

Extending the renewable energy standards timeline and goal.

**Description:**

Extends the renewable energy standards timeline and reduces the percentage goal to allow for firm energy production as a part of a resilient statewide system.

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