

# S.B. NO. 3078

JAN 24 2024

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## A BILL FOR AN ACT

RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS.

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

1           SECTION 1. The legislature finds that, as Hawaii  
2 progresses toward its renewable energy and decarbonization  
3 goals, energy efficiency remains the most cost-effective way to  
4 reduce emissions associated with electricity generation and  
5 consumption, while providing financial benefits for customers.  
6 The legislature also finds that in 2008, the State, in  
7 partnership with the United States Department of Energy,  
8 established the Hawaii clean energy initiative, which included  
9 goals for energy efficiency. Subsequently, Act 155, Session  
10 Laws of Hawaii 2009, codified these energy efficiency goals by  
11 establishing an energy-efficiency portfolio standard under  
12 section 269-96, Hawaii Revised Statutes, which sets the  
13 statewide energy efficiency goal for 2030 at four thousand three  
14 hundred gigawatt hours and directs the public utilities  
15 commission to establish interim goals for 2015, 2020, and 2025.

16           Now, fifteen years later, the legislature further finds  
17 that it is appropriate to extend these goals and ensure that the  
18 public utilities commission can continue its work developing and

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1 overseeing the State's energy-efficiency portfolio standards  
2 beyond 2030.

3 The purpose of this Act is to extend and further develop  
4 the energy-efficiency portfolio standards established and  
5 overseen by the public utilities commission.

6 SECTION 2. Section 196-62.5, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8 "(b) As may be applicable, an agency shall consult with  
9 the public benefits fee administrator of the commission prior to  
10 planning an energy-efficiency measure subject to this section.  
11 The agency's proposed energy-efficiency measures shall meet or  
12 exceed the public benefits fee administrator's enhanced  
13 efficiency levels and requirements to be eligible for the Hawaii  
14 green infrastructure loan program. The agency shall coordinate  
15 with the public benefits fee administrator throughout the entire  
16 project cycle to ensure that energy efficiency is maximized.  
17 All supporting documentation required by the public benefits fee  
18 administrator shall be provided by the agency to ensure  
19 compliance with the State's energy-efficiency portfolio  
20 [~~standard~~] standards under section 269-96."

21 SECTION 3. Section 269-96, Hawaii Revised Statutes, is  
22 amended by amending subsections (b) through (e) to read as

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1 follows:

2       "(b) The energy-efficiency portfolio standards shall be  
3 designed to achieve [~~four thousand three hundred~~] six thousand  
4 gigawatt hours of [~~electricity use reductions~~] cumulative  
5 persisting electricity savings statewide by [~~2030~~] 2045;  
6 provided that the commission shall establish interim goals for  
7 electricity use reduction to be achieved by 2015, 2020, [~~and~~]  
8 2025, 2030, 2035, and 2040, and may also adjust the [~~2030~~  
9 ~~standard~~] 2045 and interim standards by rule or order to  
10 maximize cost-effective energy-efficiency programs and  
11 technologies.

12       For the purposes of this subsection, "cumulative persisting  
13 electricity savings" means the total electric energy savings in  
14 a given year from measures installed in that year or in previous  
15 years, but no earlier than January 1, 2009, that are still  
16 operational and providing savings in that year because the  
17 measures have not yet reached the end of their useful lives.

18       (c) The commission may establish, by rule or order,  
19 incentives and penalties based on performance in achieving the  
20 energy-efficiency portfolio standards [~~by rule or order~~].

21       (d) The public utilities commission shall evaluate the  
22 energy-efficiency portfolio [~~standard~~] standards every five

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1 years, beginning in 2013, [~~and may revise the standard, based on~~  
2 ~~the best information available at the time,~~] to determine if the  
3 energy-efficiency portfolio [~~standard~~] standards established by  
4 this section [~~remains~~] remain effective and achievable[-] and  
5 may revise the standards, based on the best information  
6 available at the time. The commission shall report its findings  
7 and revisions to the energy-efficiency portfolio [~~standard,~~]  
8 standards, based on its own studies and other information, to  
9 the legislature no later than twenty days before the convening  
10 of the regular session of 2014, and every five years thereafter.

11 (e) Beginning in 2015, electric energy savings brought  
12 about by the use of renewable displacement or off-set  
13 technologies, including solar water heating and sea-water air-  
14 conditioning district cooling systems, shall count toward [~~this~~  
15 ~~standard.~~] these standards."

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act, upon its approval, shall take effect  
19 on July 1, 2024.

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INTRODUCED BY: 

22

BY REQUEST

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**Report Title:**

Energy Efficiency Portfolio Standard; Extension; Public Utilities Commission

**Description:**

Extends the State's energy efficiency portfolio standards from 2030 to 2045. Authorizes the Public Utilities Commission to establish interim goals, and clarifies procedures.

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

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs (Public Utilities Commission)

TITLE: A BILL FOR AN ACT RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS.

PURPOSE: To extend and further develop the energy-efficiency portfolio standards established and overseen by the Public Utilities Commission.

MEANS: Amend sections 196-62.5 and 269-96(b)-(e), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Energy efficiency is often the most cost-effective means of meeting the State's clean energy goals. It will continue to be a critical resource through 2045, as it helps reduce the need for generating resources, helps to lower customer bills, and is low cost. This bill confirms the State's commitment to energy efficiency by aligning the Energy Efficiency Portfolio Standard requirements with the Renewable Portfolio Standard timeline and allows the Public Utilities Commission to further develop the standard to best meet the State's goals.

Impact on the public: Energy efficiency provides significant financial and environmental benefits to the general public and will continue to do so through 2045.

Impact on the department and other agencies: By extending goals from 2030 to 2045, this bill will allow the Commission to maximize cost-effective energy-efficiency programs and technologies.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: CCA 901.

OTHER AFFECTED  
AGENCIES:

None.

EFFECTIVE DATE:

July 1, 2024.