
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 the high cost of
2 electricity continues to increase despite oil and gas prices.
3 As a result of the ever-increasing price of electricity, many
4 state departments and agencies, specifically educational
5 facilities, face severe cost shortfalls prompting a need for
6 emergency appropriations greater than \$30 million. However,
7 facilities such as the University of Hawaii Maui college and
8 nine other campuses across the State have photovoltaic systems
9 installed on their parking shade structures and rooftops. The
10 excess electricity generated at these facilities is wasted
11 because there is no system that allows wheeling of the surplus
12 clean energy to another connected facility.

13 Furthermore, the legislature finds that readily available
14 renewable energy is not being utilized because of a lack of
15 proximity to other state buildings and facilities. The clean
16 energy could provide electricity to state facilities at peak
17 time of operations that are opposite in time from peak



1 operations for the residential population. The public utilities
2 commission's failure to open and move a docket on wheeling for
3 state facilities has crippled the ability of the State to share
4 and distribute the electricity generated amongst its facilities
5 and lower electric bills, which has result in substantial
6 emergency payments to utility companies.

7 The legislature finds that the production of clean
8 electricity may be encouraged if government agencies, as sellers
9 of clean electricity, are allowed to engage in intragovernmental
10 wheeling, in which electric power is transmitted from one
11 agency's power generation to the facilities of other
12 governmental agencies over the existing transmission lines of a
13 third-party electric public utility. The State and other
14 government entities could acquire clean electricity by
15 purchasing it from a clean electricity project developer then
16 transmit it across utility lines owned and maintained by an
17 existing electric utility to other government agencies.

18 Accordingly, the purpose of this Act is to authorize
19 government agencies to wheel electricity that is produced by
20 their own facilities from renewable energy sources, subject to



1 certain conditions determined by the public utilities
2 commission.

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

6 "§269- Wheeling; renewable energy; government agencies;
7 rules. (a) A government agency may engage in wheeling of
8 electricity produced at its own facilities from renewable
9 sources.

10 (b) The public utilities commission shall open a docket to
11 determine:

12 (1) The rate of compensation to an electric company acting
13 as a transmitter; or

14 (2) Other terms to ensure wheeling is done in the public
15 interest, which may include:

16 (A) The timely execution of a workforce and community
17 agreement with all stakeholders who may be
18 economically impacted or displaced prior to
19 authorization; and

20 (B) If receiving federal funding wholly or in part,
21 compliance with the Build America, Buy America



1 Act, P.L. 117-58, sections 70901-52 and Executive
2 Order No. 14005, 86 Federal Regulations 7475
3 (2021);

4 (c) The public utilities commission shall implement this
5 section by commission order or by rules pursuant to chapter 91.

6 (d) This section shall not apply to a member-owned
7 cooperative.

8 (e) For the purposes of this section, "wheeling" means
9 transmitting electric power from one governmental agency's point
10 of generation to the facilities of other governmental agencies
11 over the existing transmission lines of a third-party electric
12 public utility."

13 SECTION 3. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2050.

15



Report Title:

Public Utilities Commission; Governmental Agencies; Wheeling;
Clean Energy

Description:

Authorizes government agencies to wheel electricity over the existing transmission lines of a third-party electric public utility, excluding member-owned cooperatives, that is produced by their own facilities from renewable energy sources to another government agency's facilities, subject to certain restrictions. Effective 7/1/2050. (SD2)

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