
A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1 SECTION 1. The legislature finds that it is important for
2 the State to strike a careful balance between transitioning to
3 renewable energy and maintaining the reliability of the Hawaii
4 electric system. Meeting the State's renewable energy goals and
5 reducing its greenhouse gas emissions requires public utilities
6 to learn new technologies and develop new operational practices.
7 Actions that help to improve the long-term resilience and
8 environmental sustainability of the State's electric system may
9 temporarily cause power outages and decreased system
10 performance. It is necessary for the State to continually
11 monitor the electric system's reliability and to quickly resolve
12 any issues or disruptions.

13 The legislature believes that electric system resilience
14 should also be a metric that the State monitors and considers.
15 Maintaining a resilient electric system is especially important
16 in Hawaii, given the State's geographical isolation. The 2023
17 wildfires on the island of Maui illustrated how vulnerable the



1 State is to natural and human-caused disasters. It is critical
2 that the State continue to prioritize actions that ensure that
3 the electric system can rapidly recover.

4 Accordingly, the purpose of this Act is to:

- 5 (1) Establish system resilience as a metric that is
6 monitored and considered by the commission; and
7 (2) Allow the Hawaii electricity reliability surcharge to
8 be transferred to the commission for the purpose of
9 its duties.

10 SECTION 2. Section 269-141, Hawaii Revised Statutes, is
11 amended by adding a new definition to be appropriately inserted
12 and to read as follows:

13 "Resilience" means the ability of the Hawaii electric
14 system and its components to adapt to changing conditions and to
15 withstand and rapidly recover from severe disruptions."

16 SECTION 3. Section 269-142, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) The commission may develop reliability standards and
19 interconnection requirements as it determines necessary or upon
20 recommendation from any entity, including an entity contracted
21 by the commission to serve as the Hawaii electricity reliability



1 administrator provided for under this part, for the continuing
2 reliable design, resilience, and operation of the Hawaii
3 electric system. Any reliability standard or interconnection
4 requirement developed by the commission shall be adopted by the
5 commission in accordance with subsection (a) in order to be
6 effective. The commission shall not contract for the
7 performance of the functions under this subsection to any other
8 entity as provided under section 269-147."

9 SECTION 4. Section 269-143, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) The commission shall have the authority to monitor
12 the reliability, resilience, and operation of the Hawaii
13 electric system using any data, files, maps, reports, or any
14 other information concerning any electric utility, any user,
15 owner, or operator of the Hawaii electric system, or any person,
16 business, or entity connecting to the Hawaii electric system,
17 considered by the commission to be necessary for ensuring the
18 reliable operation of the Hawaii electric system. The authority
19 of the commission to monitor information in this section shall
20 include the authority to request, acquire, or otherwise
21 accumulate real-time data on any matter the commission deems



1 necessary to monitor the reliable design and operation of the
2 Hawaii electric system."

3 SECTION 5. Section 269-145.5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§269-145.5 **Advanced grid modernization technology;**

6 **principles.** (a) The commission, in carrying out its
7 responsibilities under this chapter, shall consider the value of
8 improving electrical generation, transmission, and distribution
9 systems and infrastructure within the State through the use of
10 advanced grid modernization technology in order to improve the
11 overall reliability, resilience, and operational efficiency of
12 the Hawaii electric system.

13 (b) In advancing the public interest, the commission shall
14 balance technical, economic, environmental, and cultural
15 considerations associated with modernization of the electric
16 grid, based on principles that include but are not limited to:

17 (1) Enabling a diverse portfolio of renewable energy
18 resources;

19 (2) Expanding options for customers to manage their energy
20 use;



- 1 (3) Maximizing interconnection of distributed generation
2 to the State's electric grids on a cost-effective
3 basis at non-discriminatory terms and at just and
4 reasonable rates, while maintaining the reliability of
5 the State's electric grids, and allowing [~~such~~] access
6 and rates through applicable rules, orders, and
7 tariffs as reviewed and approved by the commission;
- 8 (4) Determining fair compensation for electric grid
9 services and other benefits provided to customers and
10 for electric grid services and other benefits provided
11 by distributed generation customers and other
12 non-utility service providers; and
- 13 (5) Maintaining or enhancing grid reliability, resilience,
14 and safety through modernization of the State's
15 electric grids."

16 SECTION 6. Section 269-146, Hawaii Revised Statutes, is
17 amended by amending subsections (b) and (c) to read as follows:

18 "(b) Amounts collected through the Hawaii electricity
19 reliability surcharge shall be transferred in whole or in part
20 to any entity contracted by the commission to act as the Hawaii
21 electricity reliability administrator provided for under this



1 part[-] and to the commission for the purpose of its duties
2 pursuant to sections 269-142, 269-143, and 269-144.

3 (c) The Hawaii electricity reliability surcharge shall be
4 used for the purposes of ensuring the reliable operation and
5 resilience of the Hawaii electric system and overseeing grid
6 access on the Hawaii electric system through the activities of
7 the Hawaii electricity reliability administrator contracted
8 under section 269-147; provided that amounts collected under the
9 Hawaii electricity reliability surcharge shall not be available
10 to meet any current or past general obligations of the State."

11 SECTION 7. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 8. This Act shall take effect on July 1, 2040.



Report Title:

PUC; Reliability Standards; Hawaii Electricity Reliability
Administrator

Description:

Establishes system resilience as a metric that is monitored and considered by the Public Utilities Commission. Allows the Hawaii Electricity Reliability Surcharge to be transferred to the Commission for the purpose of its duties. Takes effect 7/1/2040. (SD1)

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