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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 achieving its renewable energy and  
3 decarbonization goals, energy efficiency remains the most cost-  
4 effective way to reduce emissions associated with electricity  
5 generation and consumption, while providing financial benefits  
6 for customers. The legislature also finds that in 2008, the  
7 State, in partnership with the United States Department of  
8 Energy, established the Hawaii clean energy initiative, which  
9 included goals for energy efficiency. Subsequently, Act 155,  
10 Session Laws of Hawaii 2009, codified these energy efficiency  
11 goals by establishing an energy-efficiency portfolio standard  
12 under 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 that it  
17 is appropriate to extend these goals and ensure that the public  
18 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~~  
10 ~~to~~] before planning an energy-efficiency measure subject to this  
11 section. The agency's proposed energy-efficiency measures shall  
12 meet or 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."

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

4 "(b) The energy-efficiency portfolio standards shall be  
5 designed to achieve four thousand three hundred gigawatt hours  
6 of electricity use reductions statewide by 2030 [~~7~~] and six  
7 thousand gigawatt hours of electricity use reductions statewide  
8 by 2045; provided that the public utilities commission shall  
9 establish interim goals for electricity use reduction to be  
10 achieved by 2015, 2020, [~~and~~] 2025, 2035, and 2040, and may also  
11 adjust the 2030 and 2045 standard and interim standards by rule  
12 or order to maximize cost-effective energy-efficiency programs  
13 and technologies[~~-~~]; provided further that the interim goals  
14 established by the public utilities commission shall show clear  
15 progress towards meeting the State's 2030 and 2045 energy-  
16 efficiency portfolio standards goals.

17 (c) The public utilities commission may establish, by rule  
18 or order, incentives and penalties based on performance in  
19 achieving the energy-efficiency portfolio standards [~~by rule or~~  
20 ~~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 public utilities commission shall  
7 report its findings and revisions to the energy-efficiency  
8 portfolio [~~standard,~~] standards, based on its own studies and  
9 other information, to the legislature no later than twenty days  
10 before the convening of the regular session of 2014, and every  
11 five years thereafter.

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

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

19 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

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**Report Title:**

PUC; Energy-Efficiency Portfolio Standards; Extension

**Description:**

Extends the State's deadline to achieve its energy-efficiency portfolio standards target from 2030 to 2045 and updates the standards. Requires the Public Utilities Commission to establish interim goals for electricity use reduction to be achieved by 2025, 2035, and 2040. Authorizes the Public Utilities Commission to adjust the 2030 and 2045 standard and interim standards.

*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

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 (Commission).

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

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 standards requirements with the renewable portfolio standards timeline and allows the Commission to further develop the standards 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: CCA901.

OTHER AFFECTED  
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.