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# A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

1       SECTION 1. The legislature finds that the State should  
2 attempt to meet its goals of energy independence through  
3 renewable energy by ensuring that every stakeholder, including  
4 consumers and producers, play an active role in the process of  
5 producing electricity. Solar panels are an acceptable mode of  
6 producing electricity, and user-producers of solar electricity  
7 are generally homeowners who have installed solar panels on  
8 their rooftops. However, current state policies do not  
9 adequately incentivize homeowners to conserve or produce more  
10 energy at their residences. Requiring electric utilities to  
11 compensate homeowners for the kilowatt hours that they produced  
12 but have not used at the end of any twelve-month period would  
13 encourage homeowners to install additional rooftop solar panels  
14 and conserve energy. The legislature also believes that  
15 producing energy from rooftop solar panels is a more acceptable  
16 energy source than windfarms.



1 The purpose of this Act is to require electric utilities to  
2 compensate customer-generators for excess electricity credits  
3 remaining at the end of each twelve-month reconciliation period.

4 SECTION 2. Section 269-106, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 **"§269-106 Billing periods; twelve-month reconciliation.**

7 (a) Billing of net energy metering customers shall be on a  
8 monthly basis; provided that the last monthly bill for each  
9 twelve-month period shall reconcile for that twelve-month period  
10 the net electricity provided by the electric utility with[+

11 ~~(1) The]~~ the electricity generated by the eligible  
12 customer-generator and fed back to the electric grid  
13 over the monthly billing ~~[period; and~~

14 ~~(2) Any unused credits for excess electricity from the~~  
15 ~~eligible customer-generator carried over from prior~~  
16 ~~months since the last twelve-month reconciliation]~~  
17 period.

18 (b) Credits for excess electricity from the eligible  
19 customer-generator that remain unused after ~~[each twelve-month~~  
20 ~~reconciliation period may not be carried over to the next~~  
21 ~~twelve-month period.]~~ the twelve-month period shall be purchased



1 by the utility or its designee at the rate of compensation set  
2 forth in section 269-108.

3 (c) This section shall not apply to a member-owned  
4 cooperative electric utility."

5 SECTION 3. Section 269-108, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 **"§269-108 Net electricity producers; excess electricity**  
8 **credits and credit carry over.** (a) At the end of each monthly  
9 billing period, where the electricity generated by the eligible  
10 customer-generator during the month exceeds the electricity  
11 supplied by the electric utility during that same period, the  
12 eligible customer-generator is a net electricity producer and  
13 the electric utility shall retain any excess kilowatt-hours  
14 generated during the prior monthly billing period; provided that  
15 the excess electricity generated by the customer-generator, if  
16 any, in each monthly billing period shall be carried over to the  
17 next month as a monetary value to the credit of the eligible  
18 customer-generator, which credit may accumulate and be used to  
19 offset the compensation owed the electric utility for the  
20 eligible customer-generator's net kilowatt-hour consumption for  
21 succeeding months within each twelve-month period; provided



1 further that the electric utility shall reconcile the eligible  
2 customer-generator's electricity production and consumption for  
3 each twelve-month period as set forth in section 269-106.

4 (b) The eligible customer-generator shall ~~[not be owed any~~  
5 ~~compensation]~~ be compensated for any excess kilowatt-hours  
6 ~~[unless the electric utility enters into a purchase agreement~~  
7 ~~with the eligible customer-generator for those excess~~  
8 ~~kilowatt-hours.]~~ remaining at the end of any twelve-month  
9 period. The compensation owed to the eligible  
10 customer-generator shall be calculated at a rate of electricity  
11 to be established by the public utilities commission for the  
12 relevant time period.

13 (c) This section shall not apply to a member-owned  
14 cooperative electric utility."

15 SECTION 4. The utility company shall pay 33.3 per cent of  
16 the compensation owed under section 3 of this Act in the first  
17 year of implementation following the effective date of this Act,  
18 66.6 per cent of the compensation owed under section 3 of this  
19 Act in the second year of implementation following the effective  
20 date of this Act, and one hundred per cent of the compensation  
21 owed under section 3 of this Act from the third year of



1 implementation following the effective date of this Act and in  
2 subsequent years.

3 SECTION 5. This Act does not affect rights and duties that  
4 matured, penalties that were incurred, and proceedings that were  
5 begun before its effective date.

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

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



**Report Title:**

Net Energy Metering; Electric Utilities; Net Energy Producers;  
Compensation

**Description:**

Requires electric utilities to compensate customer-generators  
for excess electricity credits. (SD1)

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

