THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2370

JAN 2 1 2026

A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

SECTION 1. The legislature finds that settlement of the *Navahine F. v. Hawai'i Department of Transportation* CIV. NO. 1CCV-24-0000631 (Hawai'i Cir. Ct.) case requires that the department of transportation establish a comprehensive Greenhouse Gas (GHG) Reduction Plan to implement legislative requirements to achieve zero emissions across all transportation sectors in the State, including ground and interisland sea and air modes. To properly comply with state laws and this settlement agreement, much of the transportation sector will need to be electrified by 2045, which means the methods of generating electricity in the State will also need to reach the zero GHG emissions targets by that year. The current policy mechanism to decarbonize the electricity sector is the State's renewable portfolio standard law.

Accordingly, the purpose of this Act is to strengthen the State's renewable portfolio standard by:

(1) Requiring every renewable energy source with measurable carbon dioxide emissions that is regulated by the clean air branch of the department of health to operate an in-stack carbon dioxide continuous emissions monitoring system in each smokestack; and

(2) Establishing carbon dioxide emissions rate standards for renewable energy sources for compliance with renewable portfolio standards.

SECTION 2. Section 269-92, Hawaii Revised Statutes, is amended to read as follows:

"§269-92 **Renewable portfolio standards.** (a) Each electric utility company that sells electricity for consumption in the State shall establish a renewable portfolio standard of:

(1) Ten per cent of its net electricity sales by December 31, 2010;

(2) Fifteen per cent of its net electricity sales by December 31, 2015;

(3) Thirty per cent of its net electricity sales by December 31, 2020;

(4) Forty per cent of its net electricity generation by December 31, 2030;

(5) Seventy per cent of its net electricity generation by December 31, 2040; and

(6) One hundred per cent of its net electricity generation by December 31, 2045.

(b) The public utilities commission may establish standards for each electric utility company that prescribe the portion of the renewable portfolio standards that shall be met by specific types of renewable energy resources; provided that:

(1) Before January 1, 2015, at least fifty per cent of the renewable portfolio standards shall be met by electrical energy generated using renewable energy as the source, and after December 31, 2014, the entire renewable portfolio standard shall be met by electrical generation from renewable energy sources;

(2) Beginning January 1, 2015, electrical energy savings shall not count toward renewable energy portfolio standards;

(3) Where electrical energy is generated or displaced by a combination of renewable and nonrenewable means, the proportion attributable to the renewable means shall be credited as renewable energy; and

(4) Where fossil and renewable fuels are co-fired in the same generating unit, the unit shall be considered to generate renewable electrical energy (electricity) in direct proportion to the percentage of the total heat input value represented by the heat input value of the renewable fuels.

(c) If the public utilities commission determines that an electric utility company failed to meet the renewable portfolio standard, after a hearing in accordance with chapter 91, the utility shall be subject to penalties to be established by the public utilities commission; provided that if the commission determines that the electric utility company is unable to meet the renewable portfolio standards because of reasons beyond the reasonable control of the electric utility company, as set forth in subsection (d), the commission, in its discretion, may waive in whole or in part any otherwise applicable penalties.

(d) Events or circumstances that are beyond an electric utility company's reasonable control may include, to the extent the event or circumstance could not be reasonably foreseen and ameliorated:

(1) Weather-related damage;

(2) Natural disasters;

(3) Mechanical or resource failure;

(4) Failure of renewable electrical energy producers to meet contractual obligations to the electric utility company;

(5) Labor strikes or lockouts;

(6) Actions of governmental authorities that adversely affect the generation, transmission, or distribution of renewable electrical energy under contract to an electric utility company;

(7) Inability to acquire sufficient renewable electrical energy due to lapsing of tax credits related to renewable energy development;

(8) Inability to obtain permits or land use approvals for renewable electrical energy projects;

(9) Inability to acquire sufficient cost-effective renewable electrical energy;

(10) Inability to acquire sufficient renewable electrical energy to meet the renewable portfolio standard goals beyond 2030 in a manner that is beneficial to Hawaii's

economy in relation to comparable fossil fuel resources;

(11) Substantial limitations, restrictions, or prohibitions on utility renewable electrical energy projects;

(12) Non-renewable energy generated by electric generation facilities where the electric utility company otherwise does not have direct control or ownership of independent power producers, government and non-government agencies, and any persons or entities, including merchant or co-generation facilities; and

(13) Other events and circumstances of a similar nature.

(e) To ensure compliance with this section and the State's greenhouse gas reduction targets pursuant to chapter 225P:

(1) Before January 1, 2028, a renewable energy source with measurable carbon dioxide emissions from a point source that is regulated by the clean air branch of the department of health shall operate an in-stack carbon dioxide continuous emissions monitoring system in each smokestack;

(2) Beginning January 1, 2028, a renewable energy source shall only be eligible for compliance with the

renewable portfolio standard if the average annual carbon dioxide emissions rate is below one thousand five hundred pounds per megawatt hour, as measured by the carbon dioxide continuous emissions monitoring system and divided into the facility's annual net electricity generation; and

(3) Beginning January 1, 2045, an energy generating facility that emits carbon dioxide from a point source regulated by the clear air branch of the department of health shall not be eligible as a renewable energy source under the renewable portfolio standard.

As used in this subsection "carbon dioxide continuous emissions monitoring system" means the total equipment necessary for the determination of carbon dioxide concentration and emissions rate of carbon dioxide within a smokestack."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY: Mike Gabbard

S.B. NO. 2370

Report Title:
DOH; Carbon Emissions; Carbon Dioxide Continuous Emissions Monitoring Systems; Renewable Energy

Description:
Before January 1, 2028, requires every renewable energy source with measurable carbon dioxide emissions that is regulated by the Clean Air Branch of the Department of Health to operate an in-stack carbon dioxide continuous emissions monitoring system in each smokestack. Establishes carbon dioxide emissions rate standards for renewable energy sources for compliance with renewable portfolio standards.

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