

JAN 28 2026

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 Hawaii is ranked as
2 one of the highest in the United States for solar power
3 generation per capita. In addition to importing electricity
4 generated by customers to the grid, Hawaii can create a more
5 comprehensive and long-term solution that solves the problem of
6 excess electricity generation during daylight hours. Solar
7 power will be key to achieving the State's goal of generating
8 one hundred per cent of the State's electricity from renewable
9 energy sources by 2045. Excess renewable energy is already a
10 significant problem that often leads to curtailment or other
11 policies that limit the development and utilization of solar and
12 wind power, both of which are variable sources of power.

13 The legislature also finds that energy storage is one
14 solution to the problem of excess electricity generation during
15 daylight hours. However, energy storage is often expensive and
16 limited in capacity. An alternative option is to sell excess
17 electricity to consumers such as computer companies or



1 agricultural growers during daylight hours at the net cost to
2 the electric utility. The sale of excess electricity from the
3 grid to consumers at net cost is known as "smart imports".

4 The legislature further finds that smart imports can reduce
5 electricity rates and effectively use the abundance of solar
6 power during daylight hours. This can help more Hawaii
7 residents and businesses transition to using electric vehicles
8 through low or no-cost charging during daylight. Smart imports
9 can significantly boost the renewable energy, battery storage,
10 and electric vehicle industries.

11 The legislature further finds that enabling flexible
12 electricity consumption during periods of excess renewable
13 energy generation enhances grid stability, reduces curtailment,
14 and provides economic benefits to consumers who can shift energy
15 use to align with renewable energy generation patterns.

16 Priority applications for smart imports include electric vehicle
17 charging, thermal energy storage systems, water heating,
18 agricultural irrigation and processing, and other loads that can
19 flexibly adjust consumption timing.

20 Accordingly, the purpose of this Act is to:



- 1 (1) Establish a smart imports program to require electric
- 2 utilities to offer excess electricity during daylight
- 3 hours to consumers at cost to help create a more
- 4 sustainable Hawaii; and
- 5 (2) Require the public utilities commission to initiate a
- 6 proceeding to propose implementation of the program by
- 7 January 1, 2028.

8 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
9 amended by adding a new section to part VI to be appropriately
10 designated and to read as follows:

11 "§269- Smart imports program; renewable energy; excess
12 electricity. (a) Beginning January 1, 2028, there is
13 established the smart imports program, which shall require
14 electric utilities to offer excess electricity at cost to
15 consumers during daylight hours to be used for any legal
16 purpose.

17 (b) The public utilities commission shall establish by
18 rule:

- 19 (1) Time periods during which excess electricity is
- 20 available, based on analysis of renewable energy
- 21 generation patterns and grid load;



- 1 (2) The methodology for calculating and verifying "at
- 2 cost" pricing, including:
- 3 (A) A transparent cost calculation formula;
- 4 (B) Independent verification procedures; and
- 5 (C) Public disclosure requirements;
- 6 (3) Eligible customer classes and use cases, including but
- 7 not limited to:
- 8 (A) Electric vehicle charging stations and networks;
- 9 (B) Water heating systems, including thermal energy
- 10 storage;
- 11 (C) Agricultural irrigation and processing
- 12 operations;
- 13 (D) Commercial refrigeration and cold storage;
- 14 (E) Data processing and computing facilities; and
- 15 (F) Other flexible loads capable of shifting
- 16 consumption to periods of excess renewable energy
- 17 generation;
- 18 (4) Real-time price signal requirements enabling consumers
- 19 to respond to excess electricity availability;
- 20 (5) Utility reporting and compliance requirements,
- 21 including:



- 1 (A) Quarterly reports on excess electricity periods
- 2 and pricing;
- 3 (B) Program participation rates and customer
- 4 enrollment;
- 5 (C) Quantity of excess electricity sold under the
- 6 smart imports program; and
- 7 (D) The impact on grid operations and renewable
- 8 energy curtailment; and
- 9 (6) Consumer protection measures ensuring fair treatment
- 10 and preventing gaming of cost calculations.
- 11 (c) The public utilities commission may impose penalties
- 12 on electric utilities that:
- 13 (1) Fail to offer excess electricity at cost as required
- 14 by this section;
- 15 (2) Manipulate or misrepresent cost calculations;
- 16 (3) Fail to provide real-time pricing signals;
- 17 (4) Fail to submit required reports; or
- 18 (5) Otherwise fail to comply with rules adopted under
- 19 subsection (b); provided that any penalty imposed
- 20 under this subsection shall be sufficient to ensure



1 compliance and may include fines, remedial actions, or
2 other appropriate measures.

3 (d) Electric utilities shall prioritize smart imports
4 program enrollment for:

5 (1) Public electric vehicle charging infrastructure;

6 (2) Agricultural operations supporting local food
7 production;

8 (3) Affordable housing developments;

9 (4) Small businesses and local manufacturers; and

10 (5) Facilities providing essential community services.

11 (e) The public utilities commission shall ensure the smart
12 imports program complements and integrates with other demand
13 response programs, time-of-use rates, and grid services programs
14 offered by electric utilities.

15 (f) For the purposes of this section:

16 "At cost" means the net cost to the electric utility of
17 electricity, which may be zero or less than zero.

18 "Excess electricity" means electricity generated from
19 renewable energy sources that exceeds current grid load and
20 would otherwise be curtailed or exported at negative value.



1 "Flexible load" means electricity consumption that can be
2 shifted in time or adjusted in response to grid conditions and
3 pricing signals without significantly impacting the consumer's
4 operations or comfort.

5 "Smart imports" means the sale of excess electricity from
6 electric utilities to consumers."

7 SECTION 3. (a) The public utilities commission shall
8 initiate a proceeding to study other states' smart imports
9 programs, renewable energy, energy storage, and related
10 solutions to excess electricity generation and propose a "smart
11 imports program" in Hawaii to be implemented no later than
12 January 1, 2028. The proceeding shall include:

- 13 (1) Analysis of smart imports or time-of-use programs in
14 Arizona, California, Texas, and other jurisdictions
15 with high renewable energy penetration;
- 16 (2) Evaluation of technologies and systems enabling real-
17 time price responses;
- 18 (3) Assessment of potential impacts on electric vehicle
19 adoption and charging infrastructure development;
- 20 (4) Analysis of opportunities for agricultural sector
21 participation;



- 1 (5) Examination of consumer protection frameworks ensuring
- 2 fair and transparent pricing;
- 3 (6) Evaluation of methods to integrate smart imports with
- 4 battery storage deployment and grid modernization
- 5 initiatives;
- 6 (7) Stakeholder engagement with consumer advocates,
- 7 environmental organizations, businesses, agricultural
- 8 groups, and technology providers; and
- 9 (8) Development of implementation timeline and milestones
- 10 for the January 1, 2028, program launch.
- 11 (b) The public utilities commission shall submit a report
- 12 of its findings and recommendations, including any proposed
- 13 legislation, to the legislature no later than twenty days prior
- 14 to the convening of the regular session of 2027. The report
- 15 shall include:
 - 16 (1) Detailed program design recommendations;
 - 17 (2) Proposed cost calculation methodologies;
 - 18 (3) Recommended eligible customer classes and use cases;
 - 19 (4) Analysis of expected program participation and
 - 20 benefits;



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- 1 (5) Projected impacts on renewable energy curtailment and
- 2 grid operations;
- 3 (6) Consumer education and outreach strategy; and
- 4 (7) Draft rules for program implementation.

5 SECTION 4. New statutory material is underscored.

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

7

INTRODUCED BY: *Mike Hubbard*



S.B. NO. 3163

Report Title:

PUC; Electric Utilities; Smart Imports Program; Excess Electricity; Renewable Energy; Rules; Study

Description:

Requires the Public Utilities Commission to conduct a proceeding to study and implement the Smart Imports Program. Establishes the Smart Imports Program and requires electric utilities to offer excess electricity to consumers during daylight hours at cost for any legal purpose beginning January 1, 2028. Requires the Public Utilities Commission to adopt rules and establish penalties.

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

