

A Bill for an Act Relating to Alternate Energy.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 269-27.2(c), Hawaii Revised Statutes, is amended to read:

“(c) The rate payable by the public utility to the producer for such nonfossil fuel generated electricity supplied to the public utility shall be as agreed between the public utility and the supplier and as approved by the public utilities commission; provided, that in the event the public utility and the supplier fail to reach an agreement for such rate, such rate shall be as prescribed by the public utilities commission according to the powers and procedures provided in this chapter.

In the exercise of its authority to determine the just and reasonable rate for the nonfossil fuel generated electricity supplied to the public utility by the producer, the commission shall establish that the rate for purchase of [firm energy, as defined in section 6-74-1 of the rules established by the commission for standards for small power production and cogeneration, in effect as of February 18, 1982, shall not be less than one hundred per cent of the estimated avoided costs as defined by section 6-74-17, subject to section 6-74-23, of the aforementioned rules.] electricity by a public utility shall not be less than one hundred per cent of the cost avoided by the utility when the utility purchases the electrical energy rather than producing the electrical energy. In determining the amount of the payment in relation to avoided cost, as that cost is or shall later be defined in the rules of the Commission, the Commission shall consider, on a generic basis the minimum floor a utility should pay, giving consideration not only to the near-term adverse consequences to the ultimate consumers of utility provided electricity, but also to the long term desirable goal of encouraging to the greatest extent practicable, the development of alternative sources of energy.

Nothing in this subsection shall affect existing contracts between public utilities and suppliers of nonfossil fuel generated electricity.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect upon its approval.

(Approved June 9, 1983.)

Note

1. Act also contains bracketed matter.