

ACT 87

H.B. NO. 1884

A Bill for an Act Relating to Energy.

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

SECTION 1. New and improved technologies have made it possible for small-scale renewable energy systems to be put into use safely and reliably by customer-generators, such as homeowners and small businesses. The legislature recognizes the advantages of net metering in furthering the use of renewable energy systems in the State, thereby enhancing economic growth in the State, offsetting Hawaii's reliance on imported fossil fuels, and encouraging private investment in renewable energy resources.

Net metering allows consumers to offset the cost of electricity they buy from a utility by selling renewable electric power generated at their homes or businesses. In essence, a customer's electric meter can run both forward and backward in the same metering period, and the customer is only charged for the net amount of power used.

The legislature believes that the development and use of net energy metering can also reap significant environmental benefits to the State.

The legislature finds that a renewable energy demonstration project has been established in the department of education. As part of this project, photovoltaic systems and energy storage devices will be installed in selected public schools. In order to measure net electricity flow, the participating public schools may use single, reversible, non-time-differentiated meters.

The legislature further finds that this demonstration project represents an ideal opportunity for the State to gather important data on the use of net metering. Therefore, the purpose of this Act is to direct the public utilities commission to

gather data for implementing a net metering program by studying its use in the department of education's renewable energy demonstration project.

SECTION 2. The public utilities commission shall conduct a study on the feasibility of implementing a net metering program in this state. As part of this study, the public utilities commission shall gather data on the department of education's use of net metering in its renewable energy demonstration project.

The data shall include:

- (1) Historical data for a one-year period, including real-time electricity production and use, and net use and consumption by the time of day;
- (2) Metering methods;
- (3) A rate structure, including the net change in electricity rates for different classes of ratepayers;
- (4) Interconnection and safety issues;
- (5) The impact of net metering on overall electric utility income and profitability;
- (6) The advantages of net metering, including deferred capacity, value of energy, reduction of fossil fuel use, and power quality issues;
- (7) A cost-benefit analysis;
- (8) The disadvantages of net metering, including revenue losses for utilities;
- (9) Other technologies that are pertinent to the project; and
- (10) Other state jurisdictions that are pertinent to Hawaii's situation and that have adopted some type of net metering provision, either through law or administrative rule.

The department of education shall assist the public utilities commission in its study by sharing its information on net metering.

SECTION 3. The public utilities commission shall submit the following reports on the actions taken, status, and recommendations with regard to its net metering study:

- (1) An interim report to the legislature no later than twenty days before the convening of the regular session of 2001; and
- (2) A final report to the legislature no later than twenty days before the convening of the regular session of 2002.

SECTION 4. This Act shall take effect _____¹ and shall be repealed two years from its effective date.

(Approved April 28, 2000.)

Note

1. So in original.