

A Bill for an Act Relating to Public Utilities.

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

SECTION 1. The legislature finds that Hawaii is especially vulnerable to the volatility in global oil markets. In November 2007, oil prices reached \$100 per barrel. Electric utilities will shift these high fuel costs to electric utility consumers in the form of higher electric utility rates. For example, residential electric rates on Kauai could reach as high as 50 cents per kilowatt hour.

The legislature finds that net energy metering may encourage more customers to seek to become eligible customer-generators to take advantage of the month-to-month carryover of unused credits associated with the production of excess customer-generated electricity. Furthermore, the legislature finds that amending the net energy metering statute will signal to the public that the legislature intends that electricity generated by residential and small commercial customer-generators should play a significant role in the State's net energy metering effort.

The purpose of this Act is to enhance Hawaii's net energy metering statute by providing that every electric utility shall reserve a portion of the utility's net energy metering component for electricity generated by eligible residential and small commercial customer-generators. The legislature intends that the reserved portion of the utility's net energy metering component shall be of a percentage sufficient to encourage residential and small commercial customer-generators to adopt renewable energy technologies that are eligible under Hawaii's net energy metering statute.

SECTION 2. Section 269-102, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Every electric utility shall develop a standard contract or tariff providing for net energy metering and shall make this contract available to eligible customer-generators, upon request, on a first-come-first-served basis until the time that the total rated generating capacity produced by eligible customer-generators equals .5 per cent of the electric utility's system peak demand; provided that the public utilities commission may ~~increase,~~ modify, by rule or order, the total rated generating capacity produced by eligible customer-generators ~~[to an amount above .5 per cent of the electric utility's system peak demand.];~~ provided further that the public utilities commission shall ensure that a percentage of the total rated generating capacity produced by eligible customer-generators shall be reserved for electricity produced by eligible residential or small commercial customer-generators. The public utilities commission may define, by rule or order, the maximum capacity for eligible residential or small commercial customer-generators. Notwithstanding the generating capacity requirements of this subsection, the public utilities commission may evaluate, on an island-by-island basis, the applicability of the generating capacity requirements of this subsection and, in its discretion, may exempt an island or a utility grid system from the generating capacity requirements.”

SECTION 3. The public utilities commission shall submit a report to the legislature of the following, if available:

- (1) Any rules, decisions, or orders submitted by the public utilities commission regarding the total rated generating capacity produced by eligible customer-generators;
- (2) Any rules, decisions, or orders submitted by the public utilities commission regarding the maximum capacity for eligible residential or small commercial customer-generators; and

- (3) Any results regarding the public utilities commission's evaluation of the applicability of the generating capacity requirements on an island-by-island basis, and any decisions to exempt an island or a utility grid system from the generating capacity requirements.

The report shall also include any recommendations or proposed legislation, and be submitted no later than twenty days prior to the convening of the 2009 regular session.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved June 6, 2008.)