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H.B. NO. 425

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 in trying to transition to a clean energy economy by 2030, much focus is being placed on meeting the renewable portfolio standards mandate. However, unless there are major technological breakthroughs, it is anticipated that in 2030, sixty per cent of electricity generation will come from fossil fuels. During the past year, the high cost of oil has severely impacted electricity ratepayers. Achieving a clean energy economy requires a multi-pronged approach, being aggressive in the development of renewable energy resources, promoting energy efficiency, and minimizing the use and cost of energy generated from fossil fuels.

The purpose of this Act is to direct the public utilities commission, in performing its general powers and duties, to consider the need for a diverse portfolio of fossil fuel resources and to maximize the efficiency of utility generation assets to mitigate supply disruptions and cost impacts on electricity ratepayers.

SECTION 2. Section 269-6, Hawaii Revised Statutes, is amended to read as follows:

“§269-6 General powers and duties. (a) The public utilities commission shall have the general supervision hereinafter set forth over all public utilities, and shall perform the duties and exercise the powers imposed or conferred upon it by this chapter. Included among the general powers of the commission is the authority to adopt rules pursuant to chapter 91 necessary for the purposes of this chapter.

(b) The public utilities commission shall consider the need to reduce the State’s reliance on fossil fuels through energy efficiency and increased renewable energy generation in exercising its authority and duties under this chapter. In making determinations of the reasonableness of the costs of utility system capital improvements and operations, the commission shall explicitly consider, quantitatively or qualitatively, the effect of the State’s reliance on fossil fuels on price volatility, export of funds for fuel imports, fuel supply reliability risk, and greenhouse gas emissions. The commission may determine that short-term costs

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or direct costs that are higher than alternatives relying more heavily on fossil fuels are reasonable, considering the impacts resulting from the use of fossil fuels.

(c) In exercising its authority and duties under this chapter, the public utilities commission shall consider the costs and benefits of a diverse fossil fuel portfolio and of maximizing the efficiency of all electric utility assets to lower and stabilize the cost of electricity. Nothing in this section shall subvert the obligation of electric utilities to meet the renewable portfolio standards set forth in section 269-92.

~~(e)~~ (d) The chairperson of the commission may appoint a hearings officer, who shall not be subject to chapter 76, to hear and recommend decisions in any proceeding before it other than a proceeding involving the rates or any other matters covered in the tariffs filed by the public utilities. The hearings officer shall have the power to take testimony, make findings of fact and conclusions of law, and recommend a decision; provided that the findings of ~~act,~~ fact, the conclusions of law, and the recommended decision shall be reviewed and may be approved by the commission after notice to the parties and an opportunity to be heard. The hearings officer shall have all of the above powers conferred upon the public utilities commission under section 269-10.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved May 10, 2012.)