

A Bill for an Act Relating to Energy.

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

SECTION 1. Section 226-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Petroleum” includes crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute).”

SECTION 2. Section 226-18, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) Planning for the State’s facility systems with regard to energy shall be directed toward the achievement of the following objectives, giving due consideration to all:

- (1) Dependable, efficient, and economical statewide energy systems capable of supporting the needs of the people;
- (2) Increased energy security and self-sufficiency [~~where the ratio of indigenous to imported energy use is increased;~~] through the reduction and ultimate elimination of Hawaii’s dependence on imported fuels for electrical generation and ground transportation;
- (3) Greater [~~energy security and~~] diversification of energy generation in the face of threats to Hawaii’s energy supplies and systems; [~~and~~]
- (4) Reduction, avoidance, or sequestration of greenhouse gas emissions from energy supply and use; [~~and~~]
- (5) Utility models that make the social and financial interests of Hawaii’s utility customers a priority.”

2. By amending subsection (c) to read:

“(c) To further achieve the energy objectives, it shall be the policy of this

State to:

- (1) Support research and development as well as promote the use of renewable energy sources;
- (2) Ensure that the combination of energy supplies and energy-saving systems is sufficient to support the demands of growth;
- (3) Base decisions of least-cost supply-side and demand-side energy resource options on a comparison of their total costs and benefits when a least-cost is determined by a reasonably comprehensive, quantitative, and qualitative accounting of their long-term, direct and indirect economic, environmental, social, cultural, and public health costs and benefits;
- (4) Promote all cost-effective conservation of power and fuel supplies through measures, including:
 - (A) Development of cost-effective demand-side management programs;
 - (B) Education; [~~and~~]
 - (C) Adoption of energy-efficient practices and technologies; [~~and~~]
 - (D) Increasing energy efficiency and decreasing energy use in public infrastructure;
- (5) Ensure, to the extent that new supply-side resources are needed, that the development or expansion of energy systems uses the least-cost energy supply option and maximizes efficient technologies;

- (6) Support research, development, demonstration, and use of energy efficiency, load management, and other demand-side management programs, practices, and technologies;
- (7) Promote alternate fuels and transportation energy efficiency;
- (8) Support actions that reduce, avoid, or sequester greenhouse gases in utility, transportation, and industrial sector applications;
- (9) Support actions that reduce, avoid, or sequester Hawaii's greenhouse gas emissions through agriculture and forestry initiatives;
- (10) Provide priority handling and processing for all state and county permits required for renewable energy projects; ~~and~~
- (11) Ensure that liquefied natural gas is used only as a cost-effective transitional, limited-term replacement of petroleum for electricity generation and does not impede the development and use of other cost-effective renewable energy sources; and
- ~~(11)~~ (12) Promote the development of indigenous geothermal energy resources that are located on public trust land as an affordable and reliable source of firm power for Hawaii.”

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

SECTION 4. This Act shall take effect on July 1, 2015.

(Approved May 5, 2015.)