ACT 272 H.B. NO. 1051

A Bill for an Act Relating to Energy-Efficiency Portfolio Standards.

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

SECTION 1. The legislature finds that, as Hawaii progresses toward achieving its renewable energy and decarbonization goals, energy efficiency remains the most cost-effective way to reduce emissions associated with electricity generation and consumption, while providing financial benefits for customers. The legislature also finds that in 2008, the State, in partnership with the United States Department of Energy, established the Hawaii clean energy initiative, which included goals for energy efficiency. Subsequently, Act 155, Session Laws of Hawaii 2009, codified these energy efficiency goals by establishing an energy-efficiency portfolio standard under section 269-96, Hawaii Revised Statutes, which sets the statewide energy efficiency goal for 2030 at four thousand three hundred gigawatt hours and directs the public utilities commission to establish interim goals for 2015, 2020, and 2025. Now, over fifteen years later, the legislature further finds that it is appropriate to expand these goals and require the public utilities commission to establish interim goals to ensure that the commission can continue its work developing and overseeing the State's energy-efficiency portfolio standards beyond 2030.

The purpose of this Act is to extend and further develop the energy-efficiency portfolio standards established and overseen by the public utilities commission.

SECTION 2. Section 196-62.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) As may be applicable, an agency shall consult with the public benefits fee administrator of the commission [~~prior to~~] before planning an energy-efficiency measure subject to this section. The agency's proposed energy-efficiency measures shall meet or exceed the public benefits fee administrator's enhanced efficiency levels and requirements to be eligible for the Hawaii green infrastructure loan program. The agency shall coordinate with the public benefits fee administrator throughout the entire project cycle to ensure that energy efficiency is maximized. All supporting documentation required by the public benefits fee administrator shall be provided by the agency to ensure compliance with the State's energy-efficiency portfolio [~~standard~~] standards under section 269-96."

SECTION 3. Section 269-96, Hawaii Revised Statutes, is amended by amending subsections (b) through (e) to read as follows:

"(b) The energy-efficiency portfolio standards shall be designed to achieve four thousand three hundred gigawatt hours of electricity use reductions statewide by 2030[~~;~~] and six thousand gigawatt hours of electricity use reductions statewide by 2045; provided that the public utilities commission shall establish interim goals for electricity use reduction to be achieved by 2015, 2020, [~~and~~] 2025, 2035, and 2040, and may also adjust the 2030 [~~standard~~] and 2045 standards and any interim standards by rule or order to maximize cost-effective energy-efficiency programs and technologies[~~.~~]; provided further that the interim goals established by the public utilities commission shall show clear progress toward meeting the State's 2030 and 2045 energy-efficiency portfolio standards.

(c) The public utilities commission may establish, by rule or order, incentives and penalties based on performance in achieving the energy-efficiency portfolio standards [~~by rule or order~~].

(d) The public utilities commission shall evaluate the energy-efficiency portfolio [~~standard~~] standards every five years, beginning in 2013, [~~and may revise the standard, based on the best information available at the time,~~] to determine if the energy-efficiency portfolio [~~standard~~] standards established by this section [~~remains~~] remain effective and achievable[~~.~~] and may revise the standards, based on the best information available at the time. The public utilities commission shall report its findings and revisions to the energy-efficiency portfolio [~~standard,~~] standards, based on its own studies and other information, to the legislature no later than twenty days before the convening of the regular session of 2014, and every five years thereafter.

(e) Beginning in 2015, electric energy savings brought about by the use of renewable displacement or off-set technologies, including solar water heating and sea-water air-conditioning district cooling systems, shall count toward [~~this standard.~~] these standards."

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 July 2, 2025.)