THE GAS COMPANY

Act 95 Workshop

Regulatory Framework Under RPS

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Regulatory Framework Under RPS

Purpose of Act 95:

- Decrease Hawaii's need to import large amounts of oil
- Increase the use and development of Hawaii's renewable energy resources, which will:
  - increase import substitution
  - increase economic efficiency
  - increase productivity
- Develop a partnership between the State and the private sector

Regulatory Framework Under RPS

Definition of "renewable energy":

- Electrical energy produced by conventional renewable sources:
  - Wind, solar, hydro, landfill gas, waste to energy, geothermal, ocean thermal, wave energy, biomass, biofuels
- Non-renewable sources:
  - Waste heat recovery from CHP, ice storage, hydrogen fuels produced by renewable means
- Energy savings from:
  - Solar and heat pump water heating, quantifiable energy conservation measures

Regulatory Framework Under RPS

Initial Concept Paper

TGC Comments:

- Incentives and ratemaking for each type of renewable energy should be addressed separately
  - Some already include utility incentives, e.g., DSM measures
  - Some forms are competitive and not always utility-owned
- Non-utility owned renewables should be included in calculating RPS percentages
- To meet objectives of Act 95, externalities should be taken into account

Regulatory Framework Under RPS

Initial Concept Paper

TGC Comments:

- How will Act 95 objectives be integrated with other regulatory processes and issues?
  - Integrated Resource Planning
  - Competitive resource bidding
  - Natural market competition