

Summary: Hawaii Energy Utility Regulation and Taxation - Practice, Policy and Incentives for Energy Efficiency, Renewable and Distributed Energy Resources

- Carl Freedman and Jim Lazar

The primary objective of this report is to provide the Hawaii Energy Policy Forum and Summit with background, analysis and a selection of options that could serve as a basis for making recommendations to the 2004 Legislature.

The full report addresses the Hawaii government's role in directing the future of utility energy production and consumption. Particular emphasis is given to the consideration of energy efficiency, renewable and distributed energy resources. The consulting team was directed to determine the status of Hawaii's energy regulatory agencies and how the functions of these agencies could be improved, either by incremental changes or by substantial reforms. To meet these objectives the report focuses on identifying issues and providing a palette of recommended actions and options for consideration as follows:

- How does government regulate and tax energy production and use?
- What incentives does government provide to energy producers and users?
- Are these incentives consistent with the state's energy policies? and most importantly,
- What actions can be taken to improve the regulation and taxation to further the objectives of Hawaii's energy policies?

The report provides an extensive list of specific actions, options, alternatives and recommendations in the following areas:

- THE ROLE OF GOVERNMENT IN IMPLEMENTING ENERGY POLICIES
- THE FATE OF HAWAII'S UTILITY ENERGY EFFICIENCY PROGRAMS
- IMPENDING TURF WARS: COMBINED HEAT AND POWER INSTALLATIONS
- IMPROVING ENERGY REGULATION IN HAWAII

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- NEED TO STRENGTHEN THE UTILITY REGULATORY AGENCIES
- IMPROVING PUBLIC ACCESS TO THE REGULATORY PROCESS
- THE CONFLICTING ROLES OF THE DIVISION OF CONSUMER ADVOCACY
- UTILITY RESOURCE EVALUATION AND SELECTION
- UTILITY RESOURCE PROCUREMENT
- ALIGNING RATE DESIGN WITH ENERGY POLICIES
- ALIGNING TAX POLICIES WITH ENERGY POLICIES
- INSTRUMENTS TO PROMOTE RENEWABLE AND EFFICIENCY RESOURCES
- RECOMMENDATIONS FOR IMMEDIATE ACTION