

**JOSH GREEN, M.D.** GOVERNOR | KE KIA'ÄINA

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ÄINA

## STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

KA 'OIHANA PILI KĀLEPA 335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: (808) 586-2850 Fax Number: (808) 586-2856 cca.hawaii.gov NADINE Y. ANDO DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

# **Testimony of the Department of Commerce and Consumer Affairs**

Before the House Committee on Consumer Protection & Commerce Wednesday, March 19, 2025 2:00 p.m. Conference Room 329

## On the following measure: S.B. 1220, S.D. 2, H.D. 1, RELATING TO RENEWABLE GAS TARIFF

Chair Matayoshi and Members of the Committee:

My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to: (1) require gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission (Commission) by 8/31/2025; and (2) require the Commission to establish a renewable gas tariff within nine months of receiving a completed application for a proposed renewable gas tariff.

The Department appreciates that the intent of this bill is to serve certain gas customers' demand to procure renewable gas. An appropriately designed tariff that fully considers the costs to procure and deliver renewable gas through Hawaii Gas' transmission and distribution system to customers with demands for renewable gas may help increase the build-out of renewable gas supplies in Hawaii. The Department especially appreciates that the bill stipulates that any renewable gas tariff shall not Testimony of DCCA S.B. 1220, S.D. 2, H.D.1 Page 2 of 2

increase rates for other gas customers. It is the Department's understanding that Hawaii Gas may be seeking to establish a renewable gas tariff to provide assurance to potential customers of the costs that they would incur from procuring renewable gas. The Department notes that there are potential options to Hawaii Gas to offer renewable gas such as through a pilot program. Such an approach may lower financial risk to Hawaii Gas and its customers while also enabling Hawaii Gas to offer renewable gas to some of its customers.

The Department also offers that the Legislature has heard bills that would have required Renewable Gas Portfolio Standards, and the Commission is currently investigating an Integrated Resource Plan for The Gas Company LLC dba Hawaii Gas in Docket No. 2022-0009, which may set some renewable gas targets. Renewable gas targets together with full consideration of the greenhouse gas emissions resulting from obtaining and using different renewable gas feedstocks and producing, delivering, and using renewable gas, can all help guide some decarbonization of Hawaii's regulated gas market. All of these factors need to be considered as part of establishing a rate for providing renewable gas.

While offering the above comments, the Department notes its appreciation of the Committee on Energy & Environmental Protection's adoption the Department's recommendation regarding its role in determining the sufficiency of any application consistent with State law, which is reflected in the H.D. 1 version of this bill.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE



STATE OF HAWAII PUBLIC UTILITIES COMMISSION 465 S. KING STREET, #103 HONOLULU, HAWAII 96813

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#### LEODOLOFF R. ASUNCION, JR. CHAIR

NAOMI U. KUWAYE COMMISSIONER

COLIN A. YOST COMMISSIONER

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# **Testimony of the Public Utilities Commission**

To the House Committee on Consumer Protection & Commerce

> March 19, 2025 2:00 p.m.

Chair Matayoshi, Vice Chair Chun, and Members of the Committee:

Measure:	S.B. No. 1220, S.D. 2, H.D. 1
Title:	RELATING TO RENEWABLE GAS TARIFF.

## **Position:**

The Public Utilities Commission ("Commission") offers the following comments for consideration.

## Comments:

The Commission appreciates the intent of this bill to provide an alternative process for a gas utility to propose the creation of a renewable gas tariff than through existing ratemaking procedures.

The Commission recognizes that this measure may help the State achieve its environmental and climate resilience goals through the implementation of a renewable gas tariff. The Commission believes that the nine-month deadline for a Commission decision in S.B. No. 1220, S.D. 2, H.D. 1 represents a fair balance between an applicant's desire for a quick and timely Commission decision, and the need for the Commission to afford parties, intervenors, and participants with adequate due process, as well as the need for the Commission to have adequate time to conduct its own investigation and decision making regarding any new renewable gas tariff.

While a general rate case is an established process through which the Commission could fairly allocate the costs of providing renewable gas to customers seeking renewable gas service, the Commission recognizes waiting for a future general rate case to create a renewable gas tariff may delay the creation of said tariff due to the timing of a gas utility's previous general rate case and the costs associated with litigating a general rate case. Therefore, the Commission recognizes how the process created by S.B. No. 1220, S.D. 2, H.D. 1 may enable a faster implementation of a renewable gas tariff than waiting for a future general rate case, which may be years away.

Whether a proposed renewable gas tariff is brought before the Commission via the process created in this measure or via a general rate case, the Commission remains committed to ensuring that any renewable gas tariff it may approve is just, reasonable, and in the public interest.

Thank you for the opportunity to testify on this measure.

MAKAKILO/KAPOLEI/HONOKAI HALE NEIGHBORHOOD BOARD NO. 34



c/o NEIGHBORHOOD COMMISSION • 925 DILLINGHAM BLVD SUITE 160 • HONOLULU, HAWAII, 96817 PHONE (808) 768-3710 • FAX (808) 768-3711 • INTERNET: http://www.honoulu.gov

#### RESOLUTION

#### SUPPORTING EFFORTS TO DIVERT WASTE FROM LANDFILLS, INCLUDING RECYCLING TO CREATE FUEL AND CONSTRUCTION MATERIALS

Whereas, the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34 ("Board") is a citizens' advisory board whose purpose is to "increase and assure effective citizen participation in the decisions of government" per the City and County of Honolulu's Neighborhood Plan of 2008; and

Whereas, every community in Hawai'i deserves a "clean and healthful environment" as guaranteed by the Hawaii State Constitution (Article XI, Section 9; In re Maui Elec. Co., 2017 Haw.); and

Whereas, in 2021, the total waste generated on O'ahu was 1,692,840 tons, with significant portions being recycled or diverted through various waste-to-energy initiatives, but still a substantial portion of waste ended up in landfills, including Construction and Demolition landfilling, general material recycling, and the H-Power Ash and Residuals; and

Whereas, nearly all landfilling, waste-to-energy processing, and recycling of O'ahu's waste occurs in West O'ahu at the City-owned Waimanalo Gulch Sanitary Landfill (WGSL) in Kahe Valley, adjacent to the Honokai Hale and Makakilo communities, and the City-owned H-POWER facility near Kapolei, where waste, including Construction and Demolition materials, passes through Makakilo, Kapolei, and Honokai Hale before being landfilled at WGSL or transported to PVT Land Company, Ltd. in Nānākuli; and

Whereas, the State of Hawaii has made significant strides in addressing climate change, including the declaration of a climate emergency in 2021, and the adoption of the Hawaii Clean Energy Initiative aiming for 100% renewable energy by 2045, and the adoption of Act 238, Session Laws of Hawaii 2022, to explore decarbonization pathways, including sustainable fuel production; and

Whereas, Hawaii's heavy reliance on imported fossil fuels continues to pose challenges to energy security, economic growth, and efforts to reduce greenhouse gas emissions, leading to the exploration of alternatives such as sustainable aviation fuel, renewable gas, and waste diversion through recycling as fuel; and

Whereas, the state's current waste disposal practices, particularly landfilling, have been associated with harmful public health risks, including respiratory, neurological, and gastrointestinal issues for nearby communities, as well as environmental hazards from landfill gases like hydrogen sulfide (H2S), which are linked to serious health problems; and

Whereas, studies have shown that communities within a 3.1-mile radius of landfills, including the PVT landfill and Waimanalo Gulch Sanitary Landfill in West Oahu, are potentially exposed to harmful pollutants, which have been linked to lung cancer, respiratory illnesses, and other health issues; and

Whereas, the residents within the Nanakuli Census tracks (15003009608 & 15003940002), in which PVT landfill resides, suffer 10 years less in their life expectancy than the state average (U.S. Small-Area Life Expectancy Estimates Project, Center for Disease Control, US Department of Health, 2020); and

Whereas, to mitigate these risks and improve the quality of life for residents, it is essential to adopt measures that promote waste diversion from landfills, including the recycling of waste materials into renewable fuels, which aligns with the state's decarbonization goals and reduces dependence on imported petroleum; and

Whereas, the City and County of Honolulu executed a contract with Covanta to evaluate and pursue recycling a portion of the ash, which may significantly reduce the amount of ash disposed at the Waimanalo Gulch Sanitary Landfill; and

Whereas, the Aloha Sustainable Materials Recycling & Fertilizer Facility (SMRFF), currently under development in Kapolei, Hawaii, will serve as a waste recycling facility for local solid-organic wastes, including construction and demolition (C&D) debris, which will be sorted into recyclable and unrecyclable materials, with organic C&D waste components such as lumber, cardboard, fabric, and plastic film converted to energy using a fluidized-bed gasification system to self-power the facility, while inorganic C&D waste, including concrete and window glass, will be recycled into building materials, and landscaping waste, greenwaste from invasive species eradication, and wildfire prevention projects will also be converted to energy, with the resulting ash, along with other local nutrient-containing wastes, formulated into organic and potash fertilizers for use in Hawaii, all of which is expected to reduce waste sent to landfills on O'ahu by half, with ongoing efforts to innovate further; and

Whereas, the adoption of renewable energy practices, such as recycling waste as fuel and producing sustainable aviation fuel locally, would not only improve environmental health but also stimulate local job creation and investment in clean energy infrastructure, contributing to Hawaii's energy independence and long-term sustainability; now, therefore be it

*Resolved*, that the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34 supports efforts to divert waste from landfills, including recycling to create fuel and construction materials; and be it

*Resolved*, that the board supports the efforts of the City and County of Honolulu to recycle H-Power Ash for use in construction materials safely, and further supports the safe diversion of waste materials to the Aloha Sustainable Materials Recycling & Fertilizer Facility for recycling, including the creation of fuel; and be it

*Resolved*, the board supports efforts to divert waste from landfills, including recycling initiatives, provided that these efforts are implemented in a manner that minimizes and mitigates any negative effects on public health and safety; and be it

*Resolved*, the board supports the intent of bills <u>SB1220 (2025)</u> Relating to Renewable Gas Tariff and <u>HB976 (2025)</u> Relating to Renewable Fuel, and <u>SB764/HB750 (2025)</u> Relating to the Environment; and

*Ordered*, that copies of this resolution be transmitted to the Mayor of the City and County of Honolulu, Honolulu Council Members, Area Legislators, and all Neighborhood Boards.

Adopted by the Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34 at its February 26, 2025 Regular Board Meeting, 8-0-0 (**Aye**: Dudley, Ferreira, Khan, Lidstone, Moon, Singleton, Taala, Paris; **Nay**: None; **Abstain**: None)



Email: <u>communications@ulupono.com</u>

## HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE Wednesday, March 19, 2025 — 2:00 p.m.

# Ulupono Initiative <u>supports</u> SB 1220 SD 2 HD 1, Relating to Renewable Gas Tariff.

Dear Chair Matayoshi and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono** <u>supports</u> SB 1220 SD 2 HD 1, which requires gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission (PUC) by August 31, 2025, and requires the PUC to establish a renewable gas tariff within nine months of receiving a proposed renewable gas tariff.

A renewable gas tariff will enable customers to choose a cleaner energy option, supporting consumer demand for sustainable alternatives while providing a regulatory framework that ensures just and reasonable rates. By setting a clear timeline for PUC review and approval, SB 1220 helps prevent unnecessary delays in implementing a critical component of Hawai'i's decarbonization strategy.

Importantly, the bill ensures that renewable gas tariffs do not lead to increased costs for nonparticipating ratepayers, maintaining equity in the energy transition.

Hawai'i has long been a leader in renewable energy, and the establishment of a renewable gas tariff aligns with the State's broader efforts to achieve carbon neutrality and energy resilience. This measure not only supports local renewable gas development but also enhances energy security by diversifying our fuel sources.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

#### Investing in a Sustainable Hawaiʻi



# TESTIMONY TO THE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE 2:00 PM, March 19, 2025 Conference Room 329 & Via Videoconference

## SB1220 HD1

Chair Matayoshi, Vice Chair Chun, and Members of the Committee,

Hawaii Gas appreciates the opportunity to submit testimony in <u>strong support</u> of SB1220 HD1, which requires gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission by August 31, 2025. Requires the Public Utilities Commission to establish a renewable gas tariff within nine months of receiving a completed application for a renewable gas tariff.

Environmentally conscious customers are seeking the option to purchase renewable gas through a renewable gas tariff. However, current regulations require a general rate case to create a renewable gas tariff, a process costing \$2–3 million and taking an average of two years—even when there is unanimous support and agreement. Because these costs ultimately fall to customers, gas utilities try to maintain stable rates by filing rate cases only every 4–6 years. As the gas utility is already in a rate case, the next filing would not occur until approximately 2030 or later, delaying access to renewable gas options.

Hawaii Gas has been working with the Public Utilities Commission and the Consumer Advocate and supports the current version of SB1220 HD1 which contains their amendments and provides clarity to the measure.

This legislation provides a faster, more cost-effective way to request a renewable gas tariff using existing Hawaii statutes and administrative rules. It does not bypass any existing requirements or standards to establish rates, however, accelerates the process for timely approval:

## 1. Prompt Utility Filing

Gas utilities files a complete proposed renewable gas tariff with the Public Utilities Commission by August 31, 2025, only for customers who choose to **opt-in**.

## 2. Prompt PUC Review

The **PUC opens a docket**, requires information necessary to review the proposed tariff within **nine months**.

## 3. Protect Other Ratepayers

The streamlined process can only be used if the new tariff is a) **voluntary** and b) **does not raise rates** for other customers.



## 4. Maintain Existing Standards

The proposal must still meet the established "just, reasonable, and in the public interest" standard under Hawaii Administrative Rules Section 16-601-111. The PUC retains authority to approve or deny the proposed tariff.

# 5. Advance Renewable Energy Goals Faster approval of renewable gas tariffs supports Hawaii's broader environmental and climate objectives.

Hawaii Gas stands ready to submit a voluntary renewable gas tariff by August 31, 2025, ensuring no rate impact on other customers and allowing the PUC to complete its review within nine months. We look forward to continued collaboration with the PUC and other stakeholders to achieve our shared sustainability goals.

We urge the Committee to pass this important legislation.

Thank you for the opportunity to testify.



#### TESTIMONY ON SB1220, SD2, HD1, RELATING TO A RENEWABLE GAS TARIFF Position: Support

To the Honorable Rep. Scot Z. Matayoshi, Chair; Rep. Cory M. Chun, Vice Chair; and Members of the Consumer Protection & Commerce Committee:

Please accept this testimony in **support** of the proposed measure.

We support this measure, to direct and facilitate the speedy establishment of a tariff for renewable gas sold by the regulated gas utility in Hawai'i. It's prudent measure to help ratepayers who want to voluntarily pay more for renewable fuel, be able to do so from the gas utility, and do it more quickly and transparently. It is important to note that **passing this measure does not increase cost for either ratepayers or taxpayers**. In fact, **it reduces cost for ratepayers**, when compared to the traditional multi-year, multi-million dollar in recoverable costs of the rate-making process at the Hawaii Public Utilities Commission.

We appreciate the opportunity to testify on this measure, and urge your support for this bill.

Mahalo,

Joelle Simonpietri President

#### About Simonpietri Enterprises LLC

Simonpietri Enterprises is a Kailua, Hawaii-based woman- and veteran-owned small business with ten employees, focused on technical innovation and first-of-kind project development of emerging clean and renewable technologies since 2006. Simonpietri Enterprises has helped industrial companies in Hawaii, the continental U.S., Australia, and Canada clean up their act by reducing waste, increasing recycling, switcfhing from fossil to renewable fuel manufacturing and use, and replacing traditional high-pollution processes with newer and more efficient ones for nearly 20 years. Since launching the Aloha Carbon waste-to-fuel technical development process in August 2020, Simonpietri Enterprises is now developing renewable fuel production facilities in its own right, starting with the Aloha Sustainable Materials Recycling and Fertilizer Facility (SMRFF) in Kapolei, Hawaii to divert wastes generated in Honolulu from landfilling and transform the waste to renewable fuel, organic fertilizer, and recycled-material building products. The SMRFF is a small pilot plant, intended to facilitate scaling up to the Aloha Carbon renewable fuel production facility. Aloha Carbon is designed to divert 500 tons per day of waste from landfilling, and convert it to renewable fuels, starting with green hydrogen and renewable natural gas, then expanding to sustainable aviation fuel. To properly develop the SMRFF and Aloha Carbon projects, we embarked on four years of community engagement and input from the West O'ahu community to inform



the project's siting, scale, scope, and products. We asked for and received hundreds of survey responses, conducted several dozen stakeholder interviews, and provided over half a dozen Neighborhood Board and Environmental Justice committee briefings, for two-way information flow to inform the community and also have the community inform our projects. We made the Aloha SMRFF's Environmental Assessment available for public input for a full year, in order to ensure transparency to, and solicit input from, the community. This effort concluded with 100% public comments in support of the project, a unanimous vote of support from the Makakilo-Kapolei Neighborhood Board at their September 2024 meeting to site the plant in their jurisdiction, and acceptance of the Environmental Assessment by the City and County of Honolulu with a Finding of No Significant Impact in January 2025.



Andy Huang, Chairman – L&L Hawaiian Barbecue Ave Kwok, Past Chair – Jade Dynasty Seafood Restaurant Mike Palmer, Incoming Chair - Ho'okipa Partners Tambara Garrick, Treasurer - Hawaii Farm Project Victor Lim, Government Relations Lead – McDonald's | Mail: 2909 Wai'alae Avenue #22, Honolulu, HI 96826

2025 **Board of Directors** Andy Huang Ave Kwok Mike Palmer Tambara Garrick Victor Lim Keoni Ahlo Jesse Aguinaldo Kia Agustin Noa Aoki Matthew Asato Javier Barberi Alessandro Bolla Kiyoshi Igarashi Tim Januszewski Tom Jones Jay Kaneshiro Felix Koeppenkastrop Keith Mallini **Greg Maples** Don Murphy Edwin Ohta Tyler Roukema Alison Tanaka Katy Tanaka Ryan Tanaka Tina Wang Nicolas Ware Anthony Wong Nicolas Wong

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March 17, 2025

To: Energy and Environmental Protection Committee

From: Hawaii Restaurant Association

Subj: SB1220 – Relating to Renewable Gas Tariff

SB1220 represents a thoughtful and balanced approach to accelerating renewable energy deployment while upholding rigorous regulatory standards and consumer protections. By removing unnecessary delays, the measure supports Hawaii's leadership in transitioning to a sustainable, carbon-free future.

We respectfully urge the Committee to pass this vital legislation and thank you for the opportunity to provide testimony. We are available to address any questions.

Respectfully submitted,

Shury Matsuoka

Sheryl Matsuoka President & CEO Hawaii Restaurant Association



#### March 18, 2025

Consumer Protection & Commerce Committee Hawaii House of Representatives Honolulu, HI 96813

#### RNG Coalition testimony supporting S.B. 1220 SD2: Relating to Renewable Gas Tariff

Hon. Chair and Members of the Committee,

The Coalition for Renewable Natural Gas (RNG Coalition) represents and provides public policy advocacy and education for the renewable gas industry across North America. Our organization comprises over 400 members—including cities, counties, airports, ports, municipalities, colleges, universities, and leading companies operating in each sector of the industry—who capture, clean and condition greater than 95% of all RNG in the United States and Canada.

This legislation represents a balanced approach to accelerating renewable energy deployment while upholding rigorous consumer protection standards. By establishing a clear timeline for gas utilities to file renewable gas tariffs by August 31, 2025, and requiring PUC action within nine months, the measure removes unnecessary delays while ensuring proper regulatory oversight to protect Hawaii's consumers.

The voluntary nature of the renewable gas tariff program is a key consumer protection feature, allowing interested consumers to support local renewable gas development while ensuring no cost impacts to other customers. This aligns with Hawaii's goals to reduce dependence on imported petroleum, strengthen its energy security, and provide consumers with more transparent energy choices.

This legislation comes at a critical juncture when federal support for renewable energy initiatives faces uncertainty. Hawaii has the opportunity to establish itself as a clean energy leader while providing its consumers with expanded energy options through practical, market-based solutions that engage consumers directly in the energy transition.

Current regulations are inefficient and could delay consumer access to renewable options until 2030 or beyond. S.B. 1220 SD2 creates a sensible pathway that maintains proper consumer protections and regulatory oversight while delivering timely energy choices to Hawaii residents. We respectfully urge the Committee to pass this vital legislation that expands consumer choice while advancing Hawaii's clean energy goals.

Sincerely,

Yanni Psareas *Legislative Affairs Manager* Coalition for Renewable Natural Gas March 19, 2025



Working together for Kapolei

House Committee on Consumer Protection & Commerce Representative Scot Z. Matayoshi, Chair Representative Cory M. Chun, Vice Chair

Wednesday, March 19, 2025 2:00 p.m. Conference Room #329 and via videoconference

#### RE: SB1220 SD2 HD1 – Relating to Renewable Gas Tariff

Dear Chair Matayoshi, Vice Chair Chun, members of the Committees,

My name is Kiran Polk, and I am the Executive Director & CEO of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, 'Ewa Beach, Nānakūli, Wai'anae and Mākaha. The Chamber works on behalf of its members and the business community to improve the regional and State economic climate and help West O'ahu businesses thrive. We are a member- driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce **supports SB1220** that requires gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission by August 31, 2025, and the Public Utilities Commission to establish a renewable gas tariff within six months of receiving a proposed renewable gas tariff.

This measure takes a strategic and balanced approach to advancing renewable energy while maintaining strong regulatory oversight and consumer protection. By streamlining processes and eliminating unnecessary delays, this measure reinforces Hawaii's commitment to a sustainable, carbon-free future.

Thank you for this opportunity to provide testimony.

Respectfully,

Kiran Polk Executive Director & CEO LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.





March 19, 2025

Representative Scott Z. Matayoshi, Chair Representative Cory M. Chun, Vice Chair House Committee on Consumer Protection & Commerce

Comments in Support of SB 1220, SD2, HD1 RELATING TO RENEWABLE GAS TARIFFS (Requires gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission by 8/31/2025. Requires the Public Utilities Commission to establish a renewable gas tariff within nine months of receiving a completed application for a proposed renewable gas tariff. Effective 7/1/3000. [SD2, HD1])

## <u>CPC Hearing</u>: Wednesday, March 19, 2025, 2:00 p.m. State Capitol, Conference Room 329 & VIA VIDEOCONFERENCE

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth, housing, and renewable energy, while safeguarding Hawaii's significant natural, cultural, and agricultural resources, and public health and safety.

# LURF is in strong support for SB 1220, SD2, HD1.

**SB 1220, SD2, HD1.** This bill proposes to require gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission ("Commission") by August 31, 2025; and requires the Commission to establish a renewable gas tariff within nine months of receiving a completed application for a proposed renewable gas tariff.

The stated purpose of this measure is to require (1) Gas utility companies to file a proposed initial renewable gas tariff or tariffs with the public utilities commission by August 31, 2025; and (2) The public utilities commission to establish an initial or revised renewable gas tariff or tariffs no later than nine months after the filing of a completed application for a proposed renewable gas tariff if the commission finds the tariff to be just, reasonable, and in the public interest and the tariff does not increase rates for other customers.

House Committee on Consumer Protection & Commerce March 19, 2025 Page 2

**LURF's Position.** LURF and its members support all forms of renewable energy and over the past century, our members have led the state, and in some cases, the nation, in renewable energy research, development, installation, generation, and transmission of renewable energy, including hydrogen and Renewable Natural Gas (RNG) integration.

Gas has long been Hawaii's lifeline during storms, hurricanes, inclement weather, wildfires, and power outages. The definition of "Renewable Energy" in §269-91, Hawaii Revised Statutes, includes biogas, biomass, biofuels and hydrogen, and over the past decade, Hawaii has recognized that renewable gas is part of the renewable energy "toolbox" that will help Hawaii achieve its decarbonization goals and provide customer choices to participate in renewable energy.

LURF understands that the Commission's existing regulatory process requires gas utility companies to file an application for a renewable gas tariff with the Commission, which then makes a decision on the application through the process of a general rate case, which could take as long as two years to complete and could cost customers between two and three million dollars.

SB 1220, SD2, HD1 represents a thoughtful and balanced approach to accelerating renewable energy deployment while upholding a regulatory framework of rigorous regulatory standards and consumer protections. By retaining the Commission's robust review and making the process more efficient, this measure could support Hawaii's leadership in transitioning to a sustainable, carbon-free future.

For the above reasons, LURF <u>strongly supports</u> SB 1220, SD2, HD1 and respectfully urges your favorable consideration.

Thank you for the opportunity to provide testimony in support of this measure.