
A BILL FOR AN ACT

RELATING TO RENEWABLE GAS TARIFF.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there must be
2 enabling legislation establishing a renewable gas tariff with
3 appropriate and reasonable rates to meet the demand of
4 environmentally and socially conscious consumers.

5 The legislature also finds that existing law regulates the
6 procurement of supply and production of renewable gas.
7 Utilizing renewable energy resources that have the potential to
8 contribute to renewable gas production will help the State
9 achieve its environment and climate resilience objectives.

10 The legislature further finds that it is imperative that a
11 renewable gas tariff be established by a gas utility, and a
12 decision rendered by the public utilities commission as
13 expeditiously as possible, to reduce the State's dependence on
14 imported petroleum and minimize disruptions caused by price
15 fluctuations.

16 The legislature also finds that ratemaking procedures for a
17 proposed tariff can be effective as soon as thirty days after



1 notice to the public utilities commission pursuant to section
2 269-16(b), Hawaii Revised Statutes, and section 16-601-111,
3 Hawaii Administrative Rules. However, these provisions do not
4 require the public utilities commission to complete its review
5 in a timely manner. Accordingly, it is imperative to minimize
6 the length of the public utilities commission's review of a
7 renewable gas tariff under existing ratemaking procedures to
8 best achieve the State's decarbonization goals; provided that
9 the renewable gas tariff does not increase rates for other
10 customers.

11 The legislature further finds that gas utilities in the
12 State must be required to promptly establish a renewable gas
13 tariff to satisfy immediate demand from customers who choose to
14 receive service under the tariff. Under section 269-16(a),
15 Hawaii Revised Statutes, all rates, fares, charges,
16 classifications, schedules, rules, and practices made, charged,
17 or observed by any public utility shall be just and reasonable.

18 Accordingly, the purpose of this Act is to require gas
19 utility companies to promptly file renewable gas tariffs with
20 the public utilities commission for review and approval;
21 provided that the public utilities commission completes its



1 review within six months of the filing of a proposed renewable
2 gas tariff, the proposed tariff does not increase rates for
3 other customers, and the public utilities commission finds the
4 tariff to be just, reasonable, and in the public interest.

5 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "§269- Renewable gas tariff. (a) Each gas utility in
9 the State shall file a proposed initial renewable gas tariff or
10 tariffs with the public utilities commission by August 31, 2025,
11 to establish appropriate and reasonable rates for renewable gas
12 for customers who choose to receive service under a renewable
13 gas tariff. The public utilities commission shall establish an
14 initial or revised renewable gas tariff or tariffs no later than
15 six months after the filing of a proposed renewable gas tariff;
16 provided that the renewable gas tariff shall not increase rates
17 for other customers and the commission finds the tariff or
18 tariffs to be just, reasonable, and in the public interest;
19 provided further that all filings shall be in accordance with
20 section 16-601-111, Hawaii Administrative Rules.



1 (b) The renewable gas tariff shall be based on the
2 eligible customer's net therm usage and as determined by the
3 public utilities commission.

4 (c) For the purposes of this section:

5 "Net therm usage" means the amount of gas a customer uses
6 during a designated time period as measured in therm units.

7 "Renewable gas" means gas produced from non-petroleum
8 feedstock, as defined in section 269-45(b), for use by a gas
9 utility in the State, or as otherwise defined by the public
10 utilities commission by rule or order.

11 "Renewable gas tariff" means a tariff approved by the
12 public utilities commission that allows a gas utility customer
13 to voluntarily purchase renewable gas from a gas utility
14 company."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

PUC; Renewable Energy; Renewable Gas Tariff

Description:

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 six months of receiving a proposed renewable gas tariff. Effective 7/1/2050. (SD1)

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