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# 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 further finds that existing law regulates  
6       the 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 environmental and climate resilience objectives.

10       The legislature also finds that it is imperative that a  
11       renewable gas tariff be established by a gas utility and a  
12       decision be 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 additionally finds that ratemaking  
17       procedures for a proposed tariff can be established as soon as



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

- 19 (1) Gas utility companies to file a proposed initial  
20 renewable gas tariff or tariffs with the public  
21 utilities commission by August 31, 2025; and



1       (2) The public utilities commission to approve or modify  
2       the proposed initial renewable gas tariff or tariffs  
3       no later than six months after the filing of the  
4       tariff; provided that the proposed tariff does not  
5       increase rates for other customers, and the public  
6       utilities commission finds the tariff to be just,  
7       reasonable, and in the public interest.

8       SECTION 2. (a) Each gas utility in the State shall file a  
9       proposed initial renewable gas tariff or tariffs with the public  
10      utilities commission by August 31, 2025, to establish  
11      appropriate and reasonable rates for renewable gas for customers  
12      who choose to receive service under a renewable gas tariff. The  
13      public utilities commission shall approve or modify an initial  
14      or revised renewable gas tariff or tariffs no later than six  
15      months after the filing of a completed application for a  
16      proposed renewable gas tariff, the completeness of which shall  
17      be determined by the public utilities commission no later than  
18      thirty days after the application is filed; provided that the  
19      renewable gas tariff shall not increase rates for other  
20      customers and the commission finds the tariff or tariffs to be  
21      just, reasonable, and in the public interest; provided further



1 that all filings shall be in accordance with rules adopted under  
2 this chapter.

3 (b) The renewable gas tariff shall be based on the  
4 eligible customer's net therm usage or as otherwise determined  
5 by the public utilities commission.

6 (c) For the purposes of this section:

7 "Net therm usage" means the amount of gas a customer uses  
8 during a monthly billing cycle as measured in therm units.

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

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

16 SECTION 3. This Act shall take effect on July 1, 3000.



**Report Title:**

PUC; Renewable Energy; Renewable Gas Tariff

**Description:**

Requires gas utilities to file a proposed initial renewable gas tariff or tariffs with the Public Utilities Commission by August 31, 2025. Requires the Public Utilities Commission to approve or modify a renewable gas tariff within six months of receiving a proposed renewable gas tariff. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

