
A BILL FOR AN ACT

RELATING TO ENERGY EQUITY.

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

1 SECTION 1. The purpose of this Act is to ensure affordable
2 access to essential electricity for all residents, strengthen
3 protections for households with medically essential electricity
4 needs, and direct the public utilities commission to develop
5 rate structures that reduce energy burden, advance public
6 health, and align with the performance-based regulation
7 framework.

8 The legislature finds that Hawai'i's electricity costs
9 create disproportionately high energy burdens on low-income
10 households and medically fragile individuals. High electricity
11 burden is associated with adverse health outcomes, increased
12 hardship for seniors and caregivers, barriers to distributed
13 energy resource adoption, and increased risk of disconnection
14 during extreme heat and climate-driven emergencies. Modernized
15 rate design consistent with performance-based regulation is
16 necessary to support equitable access to essential services,



1 protect medically essential needs, and strengthen community
2 resilience.

3 The legislature further finds that aligning rate design
4 with medically essential needs, household size and
5 configuration, and heat-risk conditions is consistent with the
6 mission of the public utilities commission to ensure just and
7 reasonable rates, protect consumers, and advance the public
8 interest.

9 Accordingly, the purpose of this Act is to:

- 10 (1) Require the public utilities commission to establish
11 residential electricity rate structures that
12 prioritize affordability and equity;
- 13 (2) Require the public utilities commission to establish a
14 lifeline baseline performance standard, a medical
15 essential needs energy program, and a new tariff;
- 16 (3) Require electric utilities to file revised tariffs no
17 later than twelve months after the commission has
18 issued a final decision and order under this Act; and
- 19 (4) Require the public utilities commission to convene a
20 stakeholder process for developing and implementing
21 this Act.



1 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 **"§269- Lifeline and medical essential needs electricity**

5 **protections.** (a) The public utilities commission shall
6 initiate a docketed proceeding to establish residential
7 electricity rate structures that:

8 (1) Maintain affordability for essential household
9 electricity use;
10 (2) Reduce energy burden for low-income and medically
11 fragile households;
12 (3) Support medically necessary electricity consumption;
13 (4) Align with the performance-based regulation framework
14 under section 269-16.1; and
15 (5) Support equitable access to distributed energy
16 resources and climate resilience objectives.

17 (b) The public utilities commission shall establish a
18 lifeline baseline performance standard that reflects the monthly
19 electricity consumption necessary to meet essential household
20 needs, determined through the docket record and based on
21 evidence related to:



- 1 (1) Household size and multigenerational residence;
- 2 (2) Climate zone, island-specific heat risk, and extreme
- 3 temperature trends;
- 4 (3) Household medical and health-related electricity
- 5 needs; and
- 6 (4) Relevant data required under section 269-124.

7 The public utilities commission may approve regionally
8 differentiated baselines supported by evidence in the docket
9 record.

10 (c) The public utilities commission shall establish a
11 medical essential needs energy program to protect households
12 with medically essential electricity requirements. The program
13 shall:

- 14 (1) Provide an enhanced baseline allowance at the lifeline
15 rate for certified medical need;
- 16 (2) Allow certification by licensed healthcare providers,
17 including via telehealth;
- 18 (3) Prohibit disconnection of certified households:
 - 19 (A) During National Weather Service heat advisories;
 - 20 (B) During declared grid reliability or healthcare
21 emergencies; and



7 (d) The public utilities commission shall establish, in
8 the docket required under this section, either a rising block
9 tariff for residential customers or a time-varying or
10 alternative tariff that achieves affordability and equity
11 outcomes equivalent to a rising block tariff, as demonstrated in
12 the docket record.

13 Any tariff approved under this subsection shall:

14 (1) Preserve affordable access to essential and medically
15 essential electricity use;

16 (2) Avoid regressive cost shifts that disproportionately
17 burden low-income or medically fragile households;

18 (3) Encourage efficient electricity use and distributed
19 energy resource integration;

20 (4) Integrate with performance incentive mechanisms and
21 multi-year rate planning under section 269-16.1; and

1 (5) Be supported by an equity impact analysis included in
2 the final decision and order.

3 (e) The public utilities commission shall ensure that any
4 fixed charge or minimum bill approved under this section:

5 (1) Does not increase the average energy burden of low-
6 income or medically fragile households;

7 (2) Is demonstrated in the docket record to be non-
8 regressive; and

9 (3) Includes a published equity impact analysis as part of
10 the final decision and order.

11 The public utilities commission shall consider alternatives to
12 fixed charges, including performance incentive mechanisms, where
13 necessary to achieve the objectives of this section.

14 (f) Costs incurred to implement this section may only be
15 recovered through customer rates if the public utilities
16 commission finds, in the docket record, that the costs are
17 prudent and will not increase the energy burden of low-income or
18 medically fragile households. The public utilities commission
19 may require shareholder contributions when appropriate under
20 performance-based regulation.



1 (g) The public utilities commission and electric utilities
2 shall submit a report of its findings and recommendations,
3 including any proposed legislation, to the legislature no later
4 than twenty days prior to the convening of each regular session.

5 The report shall include:

6 (1) Lifeline and medical program enrollment;
7 (2) Disconnection notices and completed disconnections,
8 disaggregated by island and zip code;
9 (3) Household electricity burden by income decile;
10 (4) Access to and enrollment in distributed energy
11 resource programs; and
12 (5) Heat-risk and emergency event data affecting household
13 energy stability."

14 SECTION 3. Each electric utility shall file revised
15 residential tariffs implementing section 269- , Hawaii Revised
16 Statutes, as added by this Act, within twelve months after the
17 public utilities commission issues a final decision and order in
18 the docketed proceeding required under this Act.

19 SECTION 4. (a) The public utilities commission shall
20 convene a stakeholder process to support implementation of this
21 Act.



1 (b) Stakeholders shall include, at minimum, the consumer
2 advocate and Hawaii state energy office. The public utilities
3 commission shall invite the following to be participants:

4 (1) Disability rights organizations;

5 (2) Health care providers and elder care organizations;

6 (3) Environmental and energy justice organizations; and

7 (4) Electric utilities.

8 (c) To the extent practicable, this process shall be
9 integrated with ongoing public utilities commission proceedings
10 related to advanced rate design, energy equity, or utility
11 disconnection policies.

12 SECTION 5. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2026.

14

INTRODUCED BY:

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JAN 16 2026



H.B. NO. 1567

Report Title:

PUC; Residential Electricity Rate Structures; Medical Essential Needs Energy Program; Rising-Block Tariff

Description:

Requires the Public Utilities Commission to establish residential electricity rate structures that prioritize affordability and equity. Requires the Public Utilities Commission to establish a lifeline baseline performance standard, a medical essential needs energy program, and a new tariff. Requires electric utilities to file revised tariffs no later than twelve months after the Public Utilities Commission has issued a final decision and order under this Act. Requires the Public Utilities Commission to convene a stakeholder process for developing and implementing this Act.

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