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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The legislature finds that global gas  
2 production rose to a new high in 2024, increasing by two per  
3 cent from 2023. The United States, already the world's largest  
4 gas producer, broke new production records in 2024, due to the  
5 rapid expansion of the global liquefied natural gas trade.  
6 Liquefied natural gas is a natural gas that has been cooled to a  
7 liquid state, making it easier to transport. Once the liquefied  
8 natural gas reaches its destination, it can be warmed back into  
9 gas and used to generate electricity or provide heating.  
10 Despite being viewed as a "bridge fuel" and a greener  
11 alternative to coal, liquefied natural gas poses serious  
12 environmental risks due to its full lifecycle emissions. The  
13 legislature further finds that the State should not follow the  
14 national trend in liquefied natural gas usage and should instead  
15 turn to other, greener options to meet energy demands.  
16 Liquefied natural gas is made up of mostly methane, which  
17 can leak through the extraction, transportation, and



1 regasification process, increasing emissions and air pollutants.  
2 The infrastructure needed to sustain liquefied natural gas also  
3 poses its own environmental risks. Liquefied natural gas  
4 terminals are facilities that store and process liquefied  
5 natural gas, often located near coastal areas for water access  
6 to import and export ships. These facilities are often massive  
7 in scale and can require significant industrialization of  
8 coastal areas, threatening ecosystems and posing a health and  
9 safety risk to nearby communities.

10 The legislature also finds that the State should not rely  
11 on liquefied natural gas as a significant energy source as it  
12 poses serious economic risks and undermines the State's goals  
13 for renewable energy and grid resilience. Long-term contracts  
14 between public utilities and liquefied natural gas suppliers  
15 would increase the State's reliance on energy imports and expose  
16 the State to the highly volatile liquefied natural gas market,  
17 ultimately burdening ratepayers. The liquefied natural gas  
18 trade is prone to disruption because of offshore shipping and  
19 marine terminal interruptions, cold chain vulnerability, and  
20 reliance on highly specialized regasification infrastructure,  
21 making it an unreliable energy source.



1        The legislature additionally finds that the State should be  
2 prioritizing opportunities for energy democratization and  
3 encouraging community-owned and distributed energy systems.  
4        Investment in the renewable energy economy is vital for the  
5 State's clean energy future and would be undermined by further  
6 investment in liquefied natural gas and other fossil fuels.

7        The legislature further finds that the State has a  
8 constitutional obligation to protect Hawaii's natural resources  
9 for the benefit of present and future generations. This  
10 commitment is reflected in a series of legislative actions  
11 undertaken to promote environmental sustainability. Hawaii was  
12 the first state in the country to adopt a one hundred per cent  
13 renewable energy requirement for electricity by 2045 through the  
14 passage of Act 97, Session Laws of Hawaii 2015. Hawaii has also  
15 pledged to achieve carbon neutrality by 2045 through the passage  
16 of Act 15, Session Laws of Hawaii 2018, another first in the  
17 nation. The legislature further finds that a ban on liquefied  
18 natural gas would align with the State's previous steps towards  
19 a clean energy future and ensure the health, safety, and  
20 economic stability of residents.

21        Accordingly, the purpose of this Act is to:





1 increase the amount of liquefied natural gas that is  
2 supplied under the existing agreement.

3 SECTION 2. Chapter 196, Hawaii Revised Statutes, is  
4 amended by adding a new section to be appropriately designated  
5 and to read as follows:

"§196- Liquefied natural gas; prohibition. (a)

7 Beginning after June 30, 2026:

8        (1) The importation or storage of liquefied natural gas  
9                shall be prohibited;

10 (2) The construction, expansion, or operation of liquefied  
11 natural gas infrastructure shall be prohibited; and  
12 (3) No state agency or county shall issue a permit or  
13 lease that enables the development or expansion of

18                   (c) The commission and department of health may adopt  
19                   rules to enforce and ensure compliance with this section.

20 (d) For the purposes of this section:



1        "Liquefied natural gas" means a natural gas, consisting  
2        primarily of methane, that has been cooled to a liquid state for  
3        shipping and storage.

4        "Liquefied natural gas infrastructure" means any import  
5        terminal, regasification facility, pipeline, or storage unit  
6        used to transport, receive, regasify, liquefy, or distribute  
7        liquefied natural gas."

8        SECTION 3. Section 226-18, Hawaii Revised Statutes, is  
9        amended by amending subsection (c) to read as follows:

10        "(c) To further achieve the energy objectives, it shall be  
11        the policy of this State to:

12            (1) Support research and development as well as promote  
13            the use of renewable energy sources;

14            (2) Ensure that the combination of energy supplies and  
15            energy-saving systems is sufficient to support the  
16            demands of growth;

17            (3) Base decisions of least-cost supply-side and demand-  
18            side energy resource options on a comparison of their  
19            total costs and benefits when a least-cost is  
20            determined by a reasonably comprehensive,  
21            quantitative, and qualitative accounting of their



1 long-term, direct and indirect economic,  
2 environmental, social, cultural, and public health  
3 costs and benefits;

4 (4) Promote all cost-effective conservation of power and  
5 fuel supplies through measures, including:

6 (A) Development of cost-effective demand-side  
7 management programs;

8 (B) Education;

9 (C) Adoption of energy-efficient practices and  
10 technologies; and

11 (D) Increasing energy efficiency and decreasing  
12 energy use in public infrastructure;

13 (5) Ensure, to the extent that new supply-side resources  
14 are needed, that the development or expansion of  
15 energy systems uses the least-cost energy supply  
16 option and maximizes efficient technologies;

17 (6) Support research, development, demonstration, and use  
18 of energy efficiency, load management, and other  
19 demand-side management programs, practices, and  
20 technologies;





1 SECTION 4. Section 269-48, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[§269-48] **Coal power purchase agreements; liquefied**  
4 **natural gas purchase agreements; prohibited.** (a) Beginning  
5 after June 30, 2020, the public utilities commission shall not  
6 approve:

7 (1) Any new or renewed power purchase agreement that  
8 proposes to burn or consume coal to generate  
9 electricity; or  
10 (2) A modification of a coal power purchase agreement that  
11 proposes to extend the term or increase the amount of  
12 generation that is allowed to be produced under the  
13 existing agreement.

14 (b) Beginning after June 30, 2026, the public utilities  
15 commission shall not approve:

16 (1) Any new or renewed purchase agreement that proposes to  
17 supply a utility with liquefied natural gas; or  
18 (2) Any modification of an existing liquefied natural gas  
19 purchase agreement that proposes to extend the term or  
20 increase the amount of liquefied natural gas that is  
21 supplied under the existing agreement.



1        For the purposes of this subsection, "liquefied natural  
2        gas" has the same meaning as in section 196- ."

3        SECTION 5. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: Amy Dennis

JAN 16 2026



# H.B. NO. 1568

**Report Title:**

Liquefied Natural Gas; Infrastructure; Permits; Leases; Counties; Purchase Agreements; Prohibition; Hawaii State Planning Act; Public Utilities Commission; Department of Health

**Description:**

Prohibits, after 6/30/2026, the importation or storage of liquefied natural gas; the construction, expansion, or operation of liquefied natural gas infrastructure; and state agencies or counties from issuing a permit or lease that enables the development or expansion of liquefied natural gas, with certain exemptions. Authorizes the Public Utilities Commission and Department of Health to adopt rules for the enforcement and compliance of the prohibition. Repeals a provision from the Hawaii State Planning Act making it a policy of the State to use liquefied natural gas as a transitional, limited-term replacement of petroleum. Prohibits, after 6/30/2026, the approval of a new or renewed purchase agreement that proposes to supply a utility with liquefied natural gas and the modification of an existing liquefied natural gas purchase agreement that proposes to extend the term or increase the amount of liquefied natural gas that is supplied under the existing agreement.

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