

JAN 28 2026

A BILL FOR AN ACT

RELATING TO WATER.

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

1 SECTION 1. Section 269-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "public utility" to read
3 as follows:

4 ""Public utility":

5 (1) Includes every person who may own, control, operate,
6 or manage as owner, lessee, trustee, receiver, or
7 otherwise, whether under a franchise, charter,
8 license, articles of association, or otherwise, any
9 plant or equipment, or any part thereof, directly or
10 indirectly for public use for the transportation of
11 passengers or freight; for the conveyance or
12 transmission of telecommunications messages; for the
13 furnishing of facilities for the transmission of
14 intelligence by electricity within the State or
15 between points within the State by land, water, or
16 air; for the production, conveyance, transmission,
17 delivery, or furnishing of light, power, heat, cold,



1 water, including water furnished by plants or
2 facilities developed pursuant to chapter 167 for
3 conveying, distributing, and transmitting water for
4 irrigation and other purposes for public use, gas, or
5 oil; for the storage or warehousing of goods; or for
6 the disposal of sewage; provided that the term shall
7 include:

8 (A) An owner or operator of a private sewer company
9 or sewer facility; and

10 (B) A telecommunications carrier or
11 telecommunications common carrier; and

12 (2) Shall not include:

13 (A) An owner or operator of an aerial transportation
14 enterprise;

15 (B) An owner or operator of a taxicab as defined in
16 this section;

17 (C) Common carriers that transport only freight on
18 the public highways, unless operating within
19 localities, along routes, or between points that
20 the public utilities commission finds to be



- 1 inadequately serviced without regulation under
2 this chapter;
- 3 (D) Persons engaged in the business of warehousing or
4 storage unless the commission finds that
5 regulation is necessary in the public interest;
- 6 (E) A carrier by water to the extent that the carrier
7 enters into private contracts for towage,
8 salvage, hauling, or carriage between points
9 within the State; provided that the towing,
10 salvage, hauling, or carriage is not pursuant to
11 either an established schedule or an undertaking
12 to perform carriage services on behalf of the
13 public generally;
- 14 (F) A carrier by water, substantially engaged in
15 interstate or foreign commerce, that transports
16 passengers on luxury cruises between points
17 within the State or on luxury round-trip cruises
18 returning to the point of departure;
- 19 (G) Any user, owner, or operator of the Hawaii
20 electric system as defined under section 269-141;



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(H) A telecommunications provider only to the extent determined by the public utilities commission pursuant to section 269-16.9;

~~[(I) Any person who controls, operates, or manages plants or facilities developed pursuant to chapter 167 for conveying, distributing, and transmitting water for irrigation and other purposes for public use and purpose;~~

~~(J)]~~ (I) Any person who owns, controls, operates, or manages plants or facilities for the reclamation of wastewater; provided that:

(i) The services of the facility are provided pursuant to a service contract between the person and a state or county agency and at least ten per cent of the wastewater processed is used directly by the state or county agency that entered into the service contract;

(ii) The primary function of the facility is the processing of secondary treated wastewater that has been produced by a municipal



wastewater treatment facility owned by a
state or county agency;

(iii) The facility does not make sales of water to
residential customers;

(iv) The facility may distribute and sell
recycled or reclaimed water to entities not
covered by a state or county service
contract; provided that, in the absence of
regulatory oversight and direct competition,
the distribution and sale of recycled or
reclaimed water shall be voluntary and its
pricing fair and reasonable. For purposes
of this subparagraph, "recycled water" and
"reclaimed water" means treated wastewater
that by design is intended or used for a
beneficial purpose; and

(v) The facility is not engaged, either directly
or indirectly, in the processing of food
wastes;

~~(K)~~ (J) Any person who owns, controls, operates, or
manages any seawater air conditioning district



1 cooling project; provided that at least fifty per
2 cent of the energy required for the seawater air
3 conditioning district cooling system is provided
4 by a renewable energy resource, such as cold,
5 deep seawater;

6 ~~[(L)]~~ (K) Any person who owns, controls, operates, or
7 manages plants or facilities primarily used to
8 charge or discharge a vehicle battery that
9 provides power for vehicle propulsion;

10 ~~[(M)]~~ (L) Any person who:

11 (i) Owns, controls, operates, or manages a
12 renewable energy system that is located on a
13 customer's property; and

14 (ii) Provides, sells, or transmits the power
15 generated from that renewable energy system
16 to an electric utility or to the customer on
17 whose property the renewable energy system
18 is located; provided that, for purposes of
19 this subparagraph, a customer's property
20 shall include all contiguous property owned
21 or leased by the customer without regard to



1 interruptions in contiguity caused by
2 easements, public thoroughfares,
3 transportation rights-of-way, and utility
4 rights-of-way; and

5 ~~[(N)]~~ (M) Any person who owns, controls, operates, or
6 manages a renewable energy system that is located
7 on the person's property and provides, sells, or
8 transmits the power generated from that renewable
9 energy system to an electric utility or to
10 lessees or tenants on the person's property where
11 the renewable energy system is located; provided
12 that:

13 (i) An interconnection, as defined in section
14 269-141, is maintained with an electric
15 public utility to preserve the lessees' or
16 tenants' ability to be served by an electric
17 utility;

18 (ii) The person does not use an electric public
19 utility's transmission or distribution lines
20 to provide, sell, or transmit electricity to
21 lessees or tenants;



(iii) At the time that the lease agreement is signed, the rate charged to the lessee or tenant for the power generated by the renewable energy system shall be no greater than the effective rate charged per kilowatt hour from the applicable electric utility schedule filed with the public utilities commission;

(iv) The rate schedule or formula shall be established for the duration of the lease, and the lease agreement entered into by the lessee or tenant shall reflect the rate schedule or formula;

(v) The lease agreement shall not abrogate any terms or conditions of applicable tariffs for termination of services for nonpayment of electric utility services or rules regarding health, safety, and welfare; and

(vi) The lease agreement shall disclose: (1) the rate schedule or formula for the duration of the lease agreement; (2) that, at the time



1 that the lease agreement is signed, the rate
2 charged to the lessee or tenant for the
3 power generated by the renewable energy
4 system shall be no greater than the
5 effective rate charged per kilowatt hour
6 from the applicable electric utility
7 schedule filed with the public utilities
8 commission; (3) that the lease agreement
9 shall not abrogate any terms or conditions
10 of applicable tariffs for termination of
11 services for nonpayment of electric utility
12 services or rules regarding health, safety,
13 and welfare; and (4) whether the lease is
14 contingent upon the purchase of electricity
15 from the renewable energy system; provided
16 further that any disputes concerning the
17 requirements of this provision shall be
18 resolved pursuant to the provisions of the
19 lease agreement or chapter 521, if
20 applicable.



1 If the application of this chapter is ordered by the
2 commission in any case provided in paragraph (2)(C), (D), [~~(H)~~,
3 ~~and (I)~~], and (H), the business of any public utility that
4 presents evidence of bona fide operation on the date of the
5 commencement of the proceedings resulting in the order shall be
6 presumed to be necessary to the public convenience and
7 necessity, but any certificate issued under this proviso shall
8 nevertheless be subject to terms and conditions as the public
9 utilities commission may prescribe, as provided in sections
10 269-16.9 and 269-20."

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect upon its approval.

14
INTRODUCED BY:  _____



S.B. NO. 3174

Report Title:

PUC; Water; Public Use; Regulation

Description:

Subjects a person who controls, operates, or manages plants or facilities for conveying, distributing, and transmitting water for irrigation and other purposes for public use to regulation by the Public Utilities Commission.

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

