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# 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



1            (C) Without a documented offer of a payment  
2                            arrangement and individualized assessment of  
3                            health risk; and

4            (4) Ensure that participation does not affect eligibility  
5                            for any other assistance or distributed energy  
6                            resource program.

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.

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INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 3009

**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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