

JAN 28 2026

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# 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,



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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



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

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

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

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

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



- 1 wastewater treatment facility owned by a  
2 state or county agency;
- 3 (iii) The facility does not make sales of water to  
4 residential customers;
- 5 (iv) The facility may distribute and sell  
6 recycled or reclaimed water to entities not  
7 covered by a state or county service  
8 contract; provided that, in the absence of  
9 regulatory oversight and direct competition,  
10 the distribution and sale of recycled or  
11 reclaimed water shall be voluntary and its  
12 pricing fair and reasonable. For purposes  
13 of this subparagraph, "recycled water" and  
14 "reclaimed water" means treated wastewater  
15 that by design is intended or used for a  
16 beneficial purpose; and
- 17 (v) The facility is not engaged, either directly  
18 or indirectly, in the processing of food  
19 wastes;
- 20 [~~K~~] (J) Any person who owns, controls, operates, or  
21 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 ~~(I)~~ (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;



- 1           (iii) At the time that the lease agreement is
- 2                           signed, the rate charged to the lessee or
- 3                           tenant for the power generated by the
- 4                           renewable energy system shall be no greater
- 5                           than the effective rate charged per kilowatt
- 6                           hour from the applicable electric utility
- 7                           schedule filed with the public utilities
- 8                           commission;
- 9           (iv) The rate schedule or formula shall be
- 10                           established for the duration of the lease,
- 11                           and the lease agreement entered into by the
- 12                           lessee or tenant shall reflect the rate
- 13                           schedule or formula;
- 14           (v) The lease agreement shall not abrogate any
- 15                           terms or conditions of applicable tariffs
- 16                           for termination of services for nonpayment
- 17                           of electric utility services or rules
- 18                           regarding health, safety, and welfare; and
- 19           (vi) The lease agreement shall disclose: (1) the
- 20                           rate schedule or formula for the duration of
- 21                           the lease agreement; (2) that, at the time



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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: \_\_\_\_\_



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**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.*

