

ACT 192

S.B. NO. 1220

A Bill for an Act Relating to Renewable Gas Tariff.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that there must be enabling legislation establishing a renewable gas tariff with appropriate and reasonable rates to meet the demand of environmentally and socially conscious consumers.

The legislature further finds that existing law regulates the procurement of supply and production of renewable gas. Utilizing renewable energy resources that have the potential to contribute to renewable gas production will help the State achieve its environmental and climate resilience objectives.

The legislature also finds that it is imperative that a renewable gas tariff be established by a gas utility and a decision be rendered by the public utilities commission as expeditiously as possible, to reduce the State's dependence on imported petroleum and minimize disruptions caused by price fluctuations.

The legislature additionally finds that ratemaking procedures for a proposed tariff can be established as soon as thirty days after notice is given to the public utilities commission pursuant to section 269-16(b), Hawaii Revised Statutes, and section 16-601-111, Hawaii Administrative Rules. However, these provisions do not require the public utilities commission to complete its review in a timely manner. Accordingly, it is imperative to minimize the length of the public utilities commission's review of a renewable gas tariff under existing ratemaking procedures to best achieve the State's decarbonization goals; provided that the renewable gas tariff does not increase rates for other customers.

The legislature further finds that gas utilities in the State must be required to promptly establish a renewable gas tariff to satisfy immediate demand from

customers who choose to receive service under the tariff. Under section 269-16(a), Hawaii Revised Statutes, all rates, fares, charges, classifications, schedules, rules, and practices made, charged, or observed by any public utility shall be just and reasonable.

Accordingly, the purpose of this Act is to require:

- (1) Gas utility companies to file a proposed initial renewable gas tariff or tariffs with the public utilities commission by August 31, 2025; and
- (2) The public utilities commission to establish an initial or revised renewable gas tariff or tariffs no later than nine months after the filing of a completed application for a proposed renewable gas tariff if the commission finds the tariff to be just, reasonable, and in the public interest and the tariff does not increase rates for other customers.

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

“§269- Renewable gas tariff. (a) Each gas utility in the State shall file a proposed initial renewable gas tariff or tariffs with the public utilities commission by August 31, 2025, to establish appropriate and reasonable rates for renewable gas for customers who choose to receive service under a renewable gas tariff. If the public utilities commission finds that the tariff or tariffs are just, reasonable, and in the public interest, the commission shall establish an initial or revised renewable gas tariff or tariffs no later than nine months after the filing of a completed application for a proposed renewable gas tariff; provided that the renewable gas tariff shall not increase rates for other customers; provided further that all filings shall be in accordance with the Hawaii Administrative Rules. The nine-month period in this subsection shall begin only after a completed application has been filed with the commission and a paper or an electronic copy served on the consumer advocate. The consumer advocate may, within twenty-one days after receipt of the copy, object to the sufficiency of any application, and the commission shall hear and determine any objection within twenty-one days after it is filed. If the commission finds that the objections are without merit, the application shall be deemed to have been completed upon original filing. If the commission finds the application to be incomplete, it shall require the applicant to submit an amended application consistent with its findings, and the nine-month period shall not commence until the amended application is filed.

(b) The renewable gas tariff shall be based on eligible customers’ net therm usage and as determined by the public utilities commission.

(c) For the purposes of this section:

“Net therm usage” means the amount of gas a customer uses during a monthly billing period, as measured in therm units.

“Renewable gas” means gas produced from non-petroleum feedstock, as defined in section 269-45(b), for use by a gas utility in the State, or as otherwise defined by the public utilities commission by rule or order.

“Renewable gas tariff” means a tariff approved by the public utilities commission that allows a gas utility customer to voluntarily purchase renewable gas from a gas utility company.”

SECTION 3. New statutory material is underscored.¹

ACT 192

SECTION 4. This Act shall take effect upon its approval.
(Approved June 6, 2025.)

Note

1. Edited pursuant to HRS §23G-16.5.