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# A BILL FOR AN ACT

RELATING TO LIQUEFIED NATURAL GAS.

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

1           SECTION 1. Hawaii may benefit from the use of liquefied  
2 natural gas. Replacing petroleum and coal with liquefied  
3 natural gas may reduce the cost of electricity, the  
4 environmental footprint of electricity production, and  
5 greenhouse gas emissions. Liquefied natural gas may also enable  
6 higher penetration levels of renewable energy.

7           Rather than waiting until liquefied natural gas proposals  
8 are well advanced, it is important for the State to investigate  
9 the potential benefits and risks of liquefied natural gas now.  
10 The public utilities commission has initiated investigative  
11 dockets to better understand highly complex issues. In  
12 particular, the public utilities commission initiated  
13 investigative dockets on feed-in tariffs and decoupling and on  
14 transferring energy efficiency programs from electric utilities  
15 to energy efficient utilities.

16           SECTION 2. Section 269-1, Hawaii Revised Statutes, is  
17 amended by adding a new definition to be appropriately inserted  
18 and to read as follows:



1        "Liquefied natural gas" means natural gas that has been  
2 cooled to negative two hundred fifty nine degrees Fahrenheit or  
3 negative one hundred sixty one degrees Celsius and at which  
4 point is considered a liquid."

5        SECTION 3. Section 269-8, Hawaii Revised Statutes, is  
6 amended to read as follows:

7        **"§269-8 Public utilities to furnish information. (a)**

8 Every public utility or other person subject to investigation by  
9 the commission, shall at all times, upon request, furnish to the  
10 public utilities commission all information that it may require  
11 respecting any of the matters concerning which it is given power  
12 to investigate, and shall permit the examination of its books,  
13 records, contracts, maps, and other documents by the commission,  
14 or any of its members, or any person authorized by it in writing  
15 to make such examination, and shall furnish the commission with  
16 a complete inventory of its property in such form as the  
17 commission may direct.

18        (b) Public utilities importing liquefied natural gas into  
19 Hawaii shall file annual liquefied natural gas reports with the  
20 public utilities commission. The reports shall include:

21        (1) The amount of liquefied natural gas imported by the  
22 public utility into the State;



- 1       (2) The source of the liquefied natural gas; and
- 2       (3) With respect to the process of extracting the imported
- 3             liquefied natural gas, the hydraulic fracturing
- 4             techniques and chemicals used and greenhouse gas
- 5             emitted."

6             SECTION 4. The public utilities commission shall initiate  
7 an investigative docket to examine the risks and benefits of the  
8 use of imported liquefied natural gas in this State, including  
9 the impact on the environment and health risks. For this  
10 docket, the public utilities commission shall submit a progress  
11 report and, upon issuance of the final decision and order in the  
12 docket, a final report, to the legislature no later than twenty  
13 days prior to the convening of the regular session of each year,  
14 as applicable.

15             SECTION 5. New statutory material is underscored.

16             SECTION 6. This Act shall take effect upon its approval.

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



JAN 18 2013



**Report Title:**

Liquefied Natural Gas

**Description:**

Requires utilities importing natural gas to file annual liquefied natural gas reports with the PUC. Requires the PUC to open an investigative docket to examine the risks and benefits of liquefied natural gas.

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