
A BILL FOR AN ACT

RELATING TO RENEWABLE GAS TARIFF.

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

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

5 The legislature also finds that existing law regulates the
6 procurement of supply and production of renewable gas.
7 Utilizing renewable energy resources that have the potential to
8 contribute to renewable gas production will help the State
9 achieve its environment and climate resilience objectives.

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

16 The legislature also finds that ratemaking procedures for a
17 proposed tariff can be effective as soon as thirty days after



1 notice to the public utilities commission pursuant to section
2 269-16(b), Hawaii Revised Statutes, and section 16-601-111,
3 Hawaii Administrative Rules. However, these provisions do not
4 require the public utilities commission to complete its review
5 in a timely manner. Accordingly, it is imperative to minimize
6 the length of the public utilities commission's review of a
7 renewable gas tariff under existing ratemaking procedures to
8 best achieve the State's decarbonization goals; provided that
9 the renewable gas tariff does not increase rates for other
10 customers.

11 The legislature further finds that gas utilities in the
12 State must be required to promptly establish a renewable gas
13 tariff to satisfy immediate demand from customers who choose to
14 receive service under the tariff. Under section 269-16(a),
15 Hawaii Revised Statutes, all rates, fares, charges,
16 classifications, schedules, rules, and practices made, charged,
17 or observed by any public utility shall be just and reasonable.

18 Accordingly, the purpose of this Act is to require gas
19 utility companies to promptly file renewable gas tariffs with
20 the public utilities commission for review and approval;
21 provided that the public utilities commission completes its



1 review within nine months of the filing of a proposed renewable
2 gas tariff, the proposed tariff does not increase rates for
3 other customers, and the public utilities commission finds the
4 tariff to be just, reasonable, and in the public interest.

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

8 "§269- Renewable gas tariff. (a) No later than August
9 31, 2025, each gas utility in the State shall file a proposed
10 initial renewable gas tariff or tariffs with the public
11 utilities commission to establish appropriate and reasonable
12 rates for renewable gas for customers who choose to receive
13 service under a renewable gas tariff. If the public utilities
14 commission finds that the tariff or tariffs are just,
15 reasonable, and in the public interest, the commission shall
16 establish an initial or revised renewable gas tariff or tariffs
17 no later than nine months after the filing of a completed
18 application for a proposed renewable gas tariff, the
19 completeness of which shall be determined by the public
20 utilities commission no later than thirty days after the
21 application is filed; provided that the renewable gas tariff



1 shall not increase rates for other customers; provided further
2 that all filings shall be in accordance with the Hawaii
3 Administrative Rules.

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

7 (c) For the purposes of this section:

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

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

14 "Renewable gas tariff" means a tariff approved by the
15 public utilities commission that allows a gas utility customer
16 to voluntarily purchase renewable gas from a gas utility
17 company."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

PUC; Renewable Energy; Renewable Gas Tariff

Description:

Requires gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission by 8/31/2025.

Requires the Public Utilities Commission to establish a renewable gas tariff within 9 months of receiving a completed application for a proposed renewable gas tariff. Provides that the Public Utilities Commission shall determine the completeness of the application no later than 30 days after the application is filed. Effective 7/1/2050. (SD2)

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