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

5 The legislature further finds that existing law regulates
6 the 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 environmental and climate resilience objectives.

10 The legislature also finds that it is imperative that a
11 renewable gas tariff be established by a gas utility and a
12 decision be 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 additionally finds that ratemaking
17 procedures for a proposed tariff can be established as soon as



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

19 (1) Gas utility companies to file a proposed initial
20 renewable gas tariff or tariffs with the public
21 utilities commission by August 31, 2025; and



1 (2) The public utilities commission to establish an
2 initial or revised renewable gas tariff or tariffs no
3 later than nine months after the filing of a completed
4 application for a proposed renewable gas tariff if the
5 commission finds the tariff to be just, reasonable,
6 and in the public interest and the tariff does not
7 increase rates for other customers.

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

11 "§269- Renewable gas tariff. (a) Each gas utility in
12 the State shall file a proposed initial renewable gas tariff or
13 tariffs with the public utilities commission by August 31, 2025,
14 to establish appropriate and reasonable rates for renewable gas
15 for customers who choose to receive service under a renewable
16 gas tariff. If the public utilities commission finds that the
17 tariff or tariffs are just, reasonable, and in the public
18 interest, the commission shall establish an initial or revised
19 renewable gas tariff or tariffs no later than nine months after
20 the filing of a completed application for a proposed renewable
21 gas tariff; provided that the renewable gas tariff shall not



1 increase rates for other customers; provided further that all
2 filings shall be in accordance with the Hawaii Administrative
3 Rules. The nine-month period in this subsection shall begin
4 only after a completed application has been filed with the
5 commission and a paper or an electronic copy served on the
6 consumer advocate. The consumer advocate may, within twenty-one
7 days after receipt of the copy, object to the sufficiency of any
8 application, and the commission shall hear and determine any
9 objection within twenty-one days after it is filed. If the
10 commission finds that the objections are without merit, the
11 application shall be deemed to have been completed upon original
12 filing. If the commission finds the application to be
13 incomplete, it shall require the applicant to submit an amended
14 application consistent with its findings, and the nine-month
15 period shall not commence until the amended application is
16 filed.

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

20 (c) For the purposes of this section:



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

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

7 "Renewable gas tariff" means a tariff approved by the
8 public utilities commission that allows a gas utility customer
9 to voluntarily purchase renewable gas from a gas utility
10 company."

11 SECTION 3. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.



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 nine months of receiving a completed application for a proposed renewable gas tariff. (CD1)

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