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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**SENATE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION AND
ENERGY AND INTERGOVERNMENTAL AFFAIRS**

Tuesday, February 11, 2025
9:30 AM
State Capitol, Conference Room 229 and Videoconference

In Support of
SB 1220

RELATING TO RENEWABLE GAS TARIFF.

Chairs Keohokalole and Wakai, Vice Chairs Fukunaga and Chang, and Members of the Committees, the Hawai'i State Energy Office (HSEO) supports SB 1220 that requires gas utility companies to submit proposed renewable gas tariffs to the Public Utilities Commission by August 31, 2025 and the Public Utilities Commission to establish a renewable gas tariff within six months of receiving a proposed renewable gas tariff.

The purpose of §225P "... is to address the effects of climate change to protect the State's economy, environment, health, and way of life." The chapter establishes the framework for the State to "(1) Adapt to the inevitable impacts of global warming and climate change, including rising sea levels, temperatures, and other risk factors" and "(2) Mitigate its greenhouse gas emissions by sequestering more atmospheric carbon and greenhouse gases than the State produces as quickly as practicable, but no later than 2045." To achieve those ends all sectors of the economy need to be addressed. The gas utility in Hawai'i, Hawaii Gas, has long led the nation in hydrogen and RNG integration, laudable achievements. Remaining a leader requires continued progress in this sector for which a renewable gas tariff is a natural step to reasonably pursue HRS

§225P State decarbonization goals and provide customer choice to participate in renewable energy that has long been afforded to electric utility customers. A renewable gas tariff has been a topic of discussion in the Hawaii Gas IRP and is a concept that HSEO supports.

HSEO offers the following comment that the language starting on page 3, line 2 “...the proposed tariff does not increase rates for other customers,...” be stricken. The purpose of 225P is to address the effects of climate change, and §225P-5 (b) states that “After January 1, 2020, agency plans, decisions, and strategies shall give consideration to the impact of those plans, decisions, and strategies on the State's ability to achieve the goals in this section,...”. The costs from the “...impacts of global warming and climate change, including rising sea levels, temperatures, and other risk factors...” may not show up in gas rates however still impact the costs to gas customers due to those risk factors. The language could unnecessarily restrict the consideration of those issues in the development of a tariff in conflict with §225P-5 (b) which provides direction to State agencies that “After January 1, 2020, agency plans, decisions, and strategies shall give consideration to the impact of those plans, decisions, and strategies on the State's ability to achieve the goals in this section...”.

In addition, HSEO suggests that language be added to the preamble of SB1220 referencing Hawai'i's decarbonization and clean energy goals, to provide important context to the measure. HSEO stands ready to work with the legislature to craft such language.

Thank you for the opportunity to testify.