
A BILL FOR AN ACT

RELATING TO SOLID WASTE.

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

1 SECTION 1. The legislature finds that Hawaii's largest
2 source of renewable methane is from the waste streams produced
3 at county waste water treatment plants and landfills.
4 Currently, methane from these waste streams is mostly vented to
5 atmosphere or ignited and flared to atmosphere. The legislature
6 finds that methane from these same waste streams can be
7 captured, purified, and injected directly into existing gas
8 utility pipelines using proven technology that has been
9 successfully done elsewhere in the United States. This approach
10 will allow the counties to monetize this renewable resource and
11 generate a revenue stream that can then be used for county
12 purposes, such as to fund other types of renewable energy
13 projects. Since the buyer in such a transaction is a gas
14 utility, the agreement between the county and a gas utility
15 would be subject to review and approval by the public utilities
16 commission. This process provides full financial transparency,
17 which would not otherwise be possible if these resources were to



1 be competed for in the open market. By utilizing these biogas
2 resources, the counties can directly contribute toward achieving
3 the State's renewable energy goals and reduce dependence on
4 imported oil.

5 In an effort to streamline the process to initiate programs
6 that convert methane at Hawaii landfills and wastewater
7 treatment facilities, the purpose of this Act is to create a
8 temporary exemption from the procurement process to accelerate
9 the development of this needed renewable fuel source.

10 SECTION 2. Section 103D-102, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) Notwithstanding subsection (a), this chapter shall
13 not apply to contracts by governmental bodies:

14 (1) Solicited or entered into before July 1, 1994, unless
15 the parties agree to its application to a contract
16 solicited or entered into prior to July 1, 1994;

17 (2) To disburse funds, irrespective of their source:

18 (A) For grants as defined in section 42F-101, made by
19 the State in accordance with standards provided
20 by law as required by article VII, section 4, of
21 the state constitution; or by the counties



- 1 pursuant to their respective charters or
2 ordinances;
- 3 (B) To make payments to or on behalf of public
4 officers and employees for salaries, fringe
5 benefits, professional fees, or reimbursements;
- 6 (C) To satisfy obligations that the State is required
7 to pay by law, including paying fees, permanent
8 settlements, subsidies, or other claims, making
9 refunds, and returning funds held by the State as
10 trustee, custodian, or bailee;
- 11 (D) For entitlement programs, including public
12 assistance, unemployment, and workers'
13 compensation programs, established by state or
14 federal law;
- 15 (E) For dues and fees of organizations of which the
16 State or its officers and employees are members,
17 including the National Association of Governors,
18 the National Association of State and County
19 Governments, and the Multi-State Tax Commission;



- 1 (F) For deposit, investment, or safekeeping,
2 including expenses related to their deposit,
3 investment, or safekeeping;
- 4 (G) To governmental bodies of the State;
- 5 (H) As loans, under loan programs administered by a
6 governmental body; and
- 7 (I) For contracts awarded in accordance with chapter
8 103F;
- 9 (3) To procure goods, services, or construction from a
10 governmental body other than the University of Hawaii
11 bookstores, from the federal government, or from
12 another state or its political subdivision;
- 13 (4) To procure the following goods or services which are
14 available from multiple sources but for which
15 procurement by competitive means is either not
16 practicable or not advantageous to the State:
 - 17 (A) Services of expert witnesses for potential and
18 actual litigation of legal matters involving the
19 State, its agencies, and its officers and
20 employees, including administrative quasi-
21 judicial proceedings;



- 1 (B) Works of art for museum or public display;
- 2 (C) Research and reference materials including books,
3 maps, periodicals, and pamphlets, which are
4 published in print, video, audio, magnetic, or
5 electronic form;
- 6 (D) Meats and foodstuffs for the Kalaupapa
7 settlement;
- 8 (E) Opponents for athletic contests;
- 9 (F) Utility services whose rates or prices are fixed
10 by regulatory processes or agencies;
- 11 (G) Performances, including entertainment, speeches,
12 and cultural and artistic presentations;
- 13 (H) Goods and services for commercial resale by the
14 State;
- 15 (I) Services of printers, rating agencies, support
16 facilities, fiscal and paying agents, and
17 registrars for the issuance and sale of the
18 State's or counties' bonds;
- 19 (J) Services of attorneys employed or retained to
20 advise, represent, or provide any other legal
21 service to the State or any of its agencies, on



1 matters arising under laws of another state or
2 foreign country, or in an action brought in
3 another state, federal, or foreign jurisdiction,
4 when substantially all legal services are
5 expected to be performed outside this State;
6 (K) Financing agreements under chapter 37D; and
7 (L) Any other goods or services which the policy
8 board determines by rules or the chief
9 procurement officer determines in writing is
10 available from multiple sources but for which
11 procurement by competitive means is either not
12 practicable or not advantageous to the State;
13 [and]
14 (5) Which are specific procurements expressly exempt from
15 any or all of the requirements of this chapter by:
16 (A) References in state or federal law to provisions
17 of this chapter or a section of this chapter, or
18 references to a particular requirement of this
19 chapter; and
20 (B) Trade agreements, including the Uruguay Round
21 General Agreement on Tariffs and Trade (GATT)



1 which require certain non-construction and non-
2 software development procurements by the
3 comptroller to be conducted in accordance with
4 its terms[-]; and

5 (6) Which are for the extraction and capture of methane
6 from a municipal waste stream for the purpose of
7 conversion into natural gas by a gas utility."

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2030.



Report Title:

Solid Waste; Methane Gas

Description:

Exempts contracts for the extraction and capture of methane generated from municipal waste from the procurement code.
(SB703 HD1)

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