

STAND. COM. REP. NO.

2425

Honolulu, Hawaii

MAR 01 2012

RE: S.B. No. 2438  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2438 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to require the submission of an economic impact analysis with any application to the Public Utilities Commission that has a fiscal impact, and to require the Public Utilities Commission to provide a final analysis with any decision and order.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from the Public Utilities Commission, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Hawaiian Electric Company, Inc.

Your Committee finds that economic impact analyses can provide a clear picture of the advantages and disadvantages of any given proposal. However, concerns were raised that the mandatory economic impact analysis proposed by this measure may have unintended negative consequences for small businesses and would have significant budgetary impacts on the Public Utilities Commission, delaying the regulatory process.



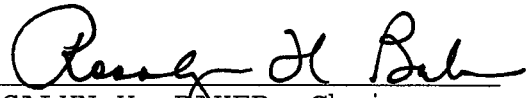
Your Committee notes there is merit to formalizing some economic impact analysis, but understands that these concerns are important to take into account. Your Committee finds that the Public Utilities Commission considers economic impact when appropriate, and therefore concludes that a mandatory economic impact analysis is not required.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that permits the Public Utilities Commission, in making its final determination on renewable energy projects, to take into consideration the economic impact of these projects; provided that the Department of Business, Economic Development, and Tourism first provides the Public Utilities Commission with the appropriate analysis for consideration; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2438, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,

  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 2438</b>	Committee Referral: <b>CPN</b>	Date: <b>2-3-12</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama		✓		
SLOM, Sam	✓			
<b>TOTAL</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes