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ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, January 31, 2012
8:15 AM
State Capitol, Conference Room 325

in consideration of
HB 2663
RELATING TO PUBLIC UTILITIES.

Chair Coffman, Vice Chair Kawakami, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) defers to the Public Utilities Commission on HB 2663, which would revise the definition of “public utility” to include the owner or operator of an inter-island high voltage electric transmission cable system, should the public utilities commission find that regulation is necessary in the public interest.

To address the affordable financing of an integrated undersea cable grid network, we recommend and strongly support the Administration’s priority measure, HB 2523, and respectfully request your consideration of the language contained in that measure.

Thank you for the opportunity to offer these comments.

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
JANUARY 31, 2012

MEASURE: H.B. No. 2663
TITLE: Relating to Public Utilities

Chair Coffman and Members of the Committee:

DESCRIPTION:

This measure proposes to amend the definition of "public utility" under HRS § 269-1 to include an interisland high-voltage electric transmission cable ("Interisland Cable" or "Cable") owner or operator, regardless of whether electricity transmitted by the Cable is the product of nonfossil fuel sources.

POSITION:

The Commission believes H.B. 2523 is the best legislative vehicle regarding this issue, as it comprehensively establishes the framework to evaluate and permit the potential development of an Interisland Cable system.

COMMENTS:

The governor's 2012 legislative package includes H.B. 2523, relating to interisland electric transmission cable systems, which comprehensively addresses some of the principal regulatory issues identified during the State's ongoing examination of an Interisland Cable system. The regulatory framework set out in H.B. 2523, as currently written, provides a higher level of regulatory clarity, transparency, and mutual understanding among many of the parties involved in the Interisland Cable review process.

Further, the Commission believes the issue this measure is trying to address is moot, as the Commission has already made the determination that existing statutes give it the authority to regulate the construction and operation of an Interisland Cable system.

Thank you for the opportunity to testify on this measure.

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION**

H.B. No. 2663

Relating to Public Utilities

Tuesday, January 31, 2012
State Capitol, Conference Room 325

Scott W. H. Seu
Vice President, Energy Resources
Hawaiian Electric Company, Inc.

Chair Coffman, Vice Chair Kawakami, and Members of the Committee:

My name is Scott Seu and I represent Hawaiian Electric Company and its subsidiary utilities Maui Electric Company and Hawaii Electric Light Company. This proposed measure would add to the definition of Public Utility, an owner or operator of a high voltage transmission cable system for transmission of electricity between islands, provided the Public Utilities Commission (PUC) finds that regulation is necessary. We recognize the value of oversight and regulation by the PUC when it comes to owners and operators of electric system infrastructure, and support the intent of this bill.

We do note that there are other measures under consideration concerning regulation of owners and operators of high voltage transmission cables, specifically H.B. No. 2523. Comparing the two, we would prefer H.B. No 2523 as it provides more clarity of how such entities would be regulated, which would be beneficial to stakeholders and decision makers.

Thank you for this opportunity to testify.