

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON FINANCE

MARCH 27, 2013

4:45 p.m.

MEASURE: S.B. No. 1042, S.D. 2, H.D. 1

TITLE: Relating to the Public Utilities Commission

Chair Luke and Members of the Committee:

DESCRIPTION:

This measure amends Section 269-3, Hawaii Revised Statutes (“HRS”), and Act 177, Session Laws of Hawaii 2007, (“Act 177”) relating to staffing and recruitment by the Public Utilities Commission (“Commission”). S.B. No. 1042, S.D. 2, H.D. 1 also contains an effective date of July 1, 2112.

POSITION:

The Commission strongly supports this measure, as it is critical to the Commission’s efforts to build its capacity to fulfill its rapidly changing regulatory duties. The Commission offers the following comments for the Committee’s consideration.

COMMENTS:

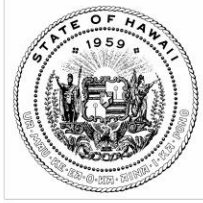
This bill would provide the Commission with needed flexibility to recruit and hire staff with the right skill sets to effectively carryout the Commission’s regulatory duties, particularly in the area of energy regulation. While the 2007 Legislature passed Act 177 authorizing the reorganization of the Commission, Act 177 mandates specific position descriptions for Commission staff based on the Commission’s needs during that period, which makes recruitment of personnel to satisfy the Commission’s current regulatory needs very difficult. This bill would support the Commission’s efforts to

identify key positions and rewrite position descriptions to build up staffing required to carry out its many current and future duties by eliminating the restrictions of Act 177.

After being assigned additional space within the Kekuaaoa Building in July 2012, the Commission has continued to work on its office expansion and renovation plan with the assistance of the Department of Accounting and General Services, the Department of Budget and Finance, and the Office of the Attorney General. As the Commission's office expansion plan moves forward, this bill will serve to support the Commission in designing and filling the kinds of positions needed to modernize and transform the agency to meet the needs of a rapidly changing regulatory environment.

The Commission requests the Committee correct this bill's current effective date from July 1, 2112 to upon approval.

Thank you for the opportunity to testify on this measure.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310

P.O. Box 541

HONOLULU, HAWAII 96809

Phone Number: 586-2850

Fax Number: 586-2856

www.hawaii.gov/dcca

KEALI' I S. LOPEZ
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**TO THE HOUSE COMMITTEE
ON FINANCE**

**THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013**

**WEDNESDAY, MARCH 27, 2013
4:45 P.M.**

**TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE SYLVIA LUKE, CHAIR
AND MEMBERS OF THE COMMITTEE**

**SENATE BILL NO. 1042, S.D. 2, H.D. 1
RELATING TO THE PUBLIC UTILITIES COMMISSION**

DESCRIPTION:

This measure proposes to insert new position titles within existing statutes describing the civil service status of Public Utilities Commission ("PUC") staff and repeals existing position staff descriptions for the Commission under Act 177, Session Laws of Hawaii 2007.

POSITION:

The Division of Consumer Advocacy strongly supports S.B. No. 1042, S.D. 2, H.D. 1.

Senate Bill No. 1042, S.D. 2, H.D. 1
House Committee on Finance
Wednesday, March 27, 2013, 4:45 p.m.
Page 2

COMMENTS:

S.B. No. 1042, S.D. 2, H.D. 1 allows greater flexibility to the PUC to hire professional staff. The PUC's staff plays an important role in moving and concluding all public utility dockets, including those relating to the State of Hawaii's energy future. Given these circumstances, the Consumer Advocate strongly supports this bill.

Thank you for this opportunity to testify.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Testimony of Sharon Y. Moriwaki, Co-Chair, Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawai'i Institute for Public Affairs
Robbie Alm, Hawaiian Electric Co.
Joe Boivin, Hawai'i Gas
Warren Bollmeier, Hawaii Renewable Energy Alliance
AlbertChee, Chevron
Rep. Denny Coffman, Hawai'i State House of Representatives
Elizabeth Cole, The Kohala Center
Leslie Cole-Brooks, Hawai'i Solar Energy Assn
Kyle Datta, Ulu pono Initiative
Laura Dierenfield, Queen Lili'uokalani Trust
Mitch Ewan, UH Hawai'i Natural Energy Institute
Jay Fidell, ThinkTech Hawai'i, Inc.
Carl Freedman, Haiku Design & Analysis
Sen. Mike Gabbard, Hawai'i State Senate
Mark Glick, State Energy Office, DBEDT
Michael Hammett, Research Corporation of the UH
Robert Harris, Sierra Club
William Kaneko, Hawaii Institute for Public Affairs
Jim Kelly, Kaua'i Island Utility Cooperative
Darren Kimura, Energy Industries Holdings
Kelly King, Sustainable Biodiesel Alliance
Susan Kodani, Office of US Congresswoman Mazie Hirono
Gladys Marrone, Building Industry Assn of Hawai'i
Doug McLeod, Maui County
Stephen Meder, UH Center for Smart Building and Community Design
Hermína Morita, Public Utilities Commission
Sharon Moriwaki, UH Social Sciences Public Policy Center
Ron Nelson, U.S. Defense Energy Support Center
Tim O'Connell, U.S. Department of Agriculture, Rural Development
Jeffrey Ono, Division of Consumer Advocacy, DCCA
Winteh K. T. Park, Office of Congresswoman Colleen Hanabusa
Melissa Pavlicek, Hawaii Public Policy Advocates, LLC
Rick Rocheleau, UH Hawai'i Natural Energy Institute
Will Rolston, Hawai'i County
Peter Rosegg, Hawaiian Electric Co.
Riley Saito, SunPower Systems Corp
Joelle Simonpietri, U.S. Pacific Command Energy Office
H. Ray Starling, Hawaii Energy
Ah Linn Sue, Hawaii Government Employees Assn
Ben Sullivan, Kaua'i County
Lance Tanaka, Tesoro Hawai'i Corp
Maria Tome, State Energy Office, DBEDT

House Committee on Finance
Wednesday, March 27, 2013
4:45 p.m. Conference Room 308

IN SUPPORT OF SB 1042, SD2, HD1– Relating to the Public Utilities Commission

I am Sharon Moriwaki, Co-chair of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of 45 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves is designed to move Hawaii toward its preferred energy goals.

SB 1042, SD2, HD1 proposes to update Section 269-3, HRS and Act 177 (2007), relating to the Public Utilities Commission (PUC) and its employment of assistants, which the Forum strongly supports as critical to enhance the effectiveness of the important work of the PUC.

One long-standing, unanimous priority of the Forum has been the revitalization the Public Utilities Commission (PUC) and the Division of Consumer Advocacy (DCA). The vitality of these important regulatory agencies is essential to ensure that the implementation of Hawaii's energy policies is effective, fair, cost-effective, and reasonable. In addition to regulating utility expenditures of over \$4 billion dollars annually, the PUC is tasked with developing and implementing many technically complex policy matters that affect every one of Hawaii's people on a day-to-day basis. Energy policy legislation and clean energy policies leave many of the most difficult, sensitive and technical determinations to the PUC for ultimate resolution and implementation. It was for this reason the Forum conducted a study in 2003, and urged the reform and reorganization of the PUC. The resulting Act 177 lay the foundation, with specific positions that were deemed to be needed at that time. Major strides in clean energy policy and programs have been made since Act 177. The result, while good for Hawaii's clean energy future, impacts significantly on the PUC. In order to do this effectively and make sound decisions for the best interests of our state, the PUC requires skilled and competent staff in a rapidly changing field. We cannot overemphasize the importance of allowing the PUC to develop a staff capability that is sufficiently qualified and can, over the long term, develop the extensive institutional experience necessary to develop, implement, and maintain progressive energy policies. The PUC faces exceptional challenges in recruiting and maintaining the specialized staff needed to provide the unique nexus of technical, economic, policy, and legal expertise necessary for enlightened energy regulation. SB1042, SD2, HD1 would remove obstacles and would facilitate the efficient and effective recruitment and retention of the qualified staff well suited to the PUC's important duties.

Based on the foregoing, the Forum strongly supports SB1042, SD2, HD1 and respectfully urges passage of the bill. Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies or organizations.