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TO THE HOUSE COMMITTEE  
ON CONSUMER PROTECTION AND COMMERCE

THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2013

MONDAY, MARCH 11, 2013  
2:00 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE ANGUS L. K. MCKELVEY, CHAIR  
AND MEMBERS OF THE COMMITTEES

SENATE BILL NO. 1042, S.D. 2  
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.

Senate Bill No. 1042, S.D. 2  
House Committee on Consumer Protection and Commerce  
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COMMENTS:

S.B. No. 1042, S.D. 2 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.

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

MARCH 11, 2013  
2:00 p.m.

**MEASURE:** S.B. No. 1042, S.D. 2

**TITLE:** Relating to the Public Utilities Commission

Chair McKelvey 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 also contains an effective date of July 1, 2050.

**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 Kekuanaoa 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, S.B. No. 1042, S.D. 2 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.

Thank you for the opportunity to testify on this measure.



COLLEGE OF SOCIAL SCIENCES  
**HAWAII ENERGY POLICY FORUM**  
UNIVERSITY OF HAWAII '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  
Albert Chee, 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, Ulupono 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 Hamnett, Research Corporation of the UH  
Robert Harris, Sierra Club  
William Kaneko, Hawai'i 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  
Hermira 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  
Wintehn 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 Simonpletri, 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 Commerce & Consumer Protection

Monday, March 11, 2013

2:00 p.m. Conference Room 325

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

I am Sharon Moriwaki, Co-Chair of the Hawaii Energy Policy Forum (Forum). The Forum 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. We have been meeting since 2002 and have adopted a common vision and mission, and a comprehensive "10 Point Action Plan," which serves as a framework and guide in meeting our preferred energy vision and goals.

SB 1042, SD2 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 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, 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.*