

JAN 23 2014

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# A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1           SECTION 1. The legislature finds that the public utilities  
2 commission was established in 1913. The legislature also finds  
3 that over the past ten years, all of its commissioners have  
4 taken a very active and participatory role in commission  
5 deliberations. With the increased complexity of utility issues  
6 being presented before the public utilities commission for its  
7 review, individual commissioners require increased resources to  
8 make informed decisions. The legislature further finds that  
9 each commissioner should be able to hire staff assistants to  
10 help independently evaluate the complex issues that are brought  
11 before the commission. In addition, the legislature further  
12 finds there should be more public disclosure by commissioners to  
13 prevent potential conflicts of interest. Finally, the  
14 legislature finds that not all renewable energy resources are  
15 equally desirable, and the commission should give preference to  
16 those that meet certain state energy objectives.



1 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§269- Classes of renewable energy. The commission  
5 shall give preference to renewable energy resources that meet  
6 state objectives, including:

- 7 (1) Lower lifetime costs;
- 8 (2) Lower life-cycle greenhouse gas emissions;
- 9 (3) Increase of intrastate capital retention; and
- 10 (4) Reduction of peak energy demand."

11 SECTION 3. Section 269-2, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 **"§269-2 Public utilities commission; number, appointment**  
14 **of commissioners, qualifications; compensation; persons having**  
15 **interest in public utilities. (a) There shall be a public**  
16 **utilities commission of three members, to be called**  
17 **commissioners, and who shall be appointed in the manner**  
18 **prescribed in section 26-34, except as otherwise provided in**  
19 **this section. All members shall be appointed for terms of six**  
20 **years each, except that the terms of the members first appointed**  
21 **shall be for two, four, and six years, respectively, as**  
22 **designated by the governor at the time of appointment. The**



1 governor shall designate a member to be chairperson of the  
2 commission. Each member shall hold office until the member's  
3 successor is appointed and qualified. Section 26-34 shall not  
4 apply insofar as it relates to the number of terms and  
5 consecutive number of years a member can serve on the  
6 commission; provided that no member shall serve more than twelve  
7 consecutive years.

8 In appointing commissioners, the governor shall select  
9 persons who have had experience in accounting, business,  
10 engineering, government, finance, law, or other similar fields.  
11 The commissioners shall devote full time to their duties as  
12 members of the commission and no commissioner shall hold any  
13 other public office or other employment during the  
14 commissioner's term of office. No person owning any stock or  
15 bonds of any public utility corporation, or having any interest  
16 in, or deriving any remuneration from, any public utility shall  
17 be appointed a commissioner.

18 (b) Effective July 1, 2005, the chairperson of the  
19 commission shall be paid a salary set at eighty-seven per cent  
20 of the salary of the director of human resources development,  
21 and each of the other commissioners shall be paid a salary equal  
22 to ninety-five per cent of the chairperson's salary. The



1 commissioners shall be exempt from chapters 76 and 89 but shall  
2 be members of the state employees retirement system and shall be  
3 eligible to receive the benefits of any state or federal  
4 employee benefit program generally applicable to officers and  
5 employees of the State, including those under chapter 87A.

6 The commission is placed within the department of budget  
7 and finance for administrative purposes.

8 (c) Notwithstanding any other law to the contrary, the  
9 commission shall annually post on its website a copy of each  
10 commissioner's annual disclosure of financial interests filed  
11 with the state ethics commission."

12 SECTION 4. Section 269-3, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§269-3 Employment of assistants.** (a) The chairperson of  
15 the public utilities commission may appoint and employ  
16 professional staff and other assistants for the public utilities  
17 commission as the chairperson finds necessary for the  
18 performance of the commission's functions and define their  
19 powers and duties. The chairperson may appoint and, at  
20 pleasure, dismiss a chief administrator and attorneys as may be  
21 necessary, and who shall be exempt from chapter 76. The



1 chairperson may also appoint other staff with or without regard  
2 to chapter 76.

3 (b) Notwithstanding section 91-13, the commission may  
4 consult with its assistants appointed under authority of this  
5 section in any contested case or agency hearing concerning any  
6 issue of facts. Neither the commission nor any of its  
7 assistants shall [~~in such proceeding~~] consult with any other  
8 person or party in the proceeding except upon notice and an  
9 opportunity for all parties to participate, save to the extent  
10 required for the disposition of ex parte matters authorized by  
11 law.

12 (c) Each commissioner other than the chairperson may  
13 appoint and employ two professional staff or other assistants  
14 without regard to chapter 76, including research assistants,  
15 attorneys, economists, legal secretaries, or legal assistants.

16 (d) The commission shall post on its website the names of  
17 all of its contractors and non-clerical employees."

18 SECTION 5. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.



# S.B. NO. 3087

1 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

  
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# S.B. NO. 3087

**Report Title:**

PUC; Assistants; Disclosure; Renewable Energy

**Description:**

Requires the PUC to post on its website the names of its contractors and non-clerical employees and a copy of each commissioner's annual disclosure of financial interests. Authorizes commissioners other than the chairperson to hire 2 staff members. Requires the PUC to give preference to certain types of renewable energy resources.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

