

Honolulu, Hawaii
February 14, 2014

RE: H.B. No. 1999
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1999, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to ensure adequate provision of electric utility services to the public by establishing a Legislative Oversight Task force to review franchises held by investor-owned electric utilities.

Hawaii Solar Energy Association, Blue Planet Foundation, and several individuals testified in support of this measure. Hawaiian Electric Company and its subsidiary utilities Maui Electric Company and Hawaii Electric Light Company testified in opposition to this measure. The Public Utilities Commission and Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs provided comments on this measure.

Your Committee has amended this measure by, among other things:

- (1) Renaming the task force to the Legislative Utility Review Task Force (Task Force);
- (2) Clarifying that, in the event of a change in legislative committees, chairs and vice chairs of successor



committees encompassing the same subject matter shall serve on the Task Force;

- (3) Requiring the Task Force to focus their review on certain topic areas, including the future role of investor-owned electric public utilities, the effectiveness of investor-owned electric public utilities, the strategic plans and objectives of investor-owned electric public utilities to modernize the electric grid cost-effectively, and the applicability and nature of the regulatory compact with respect to electric utilities in Hawaii;
- (4) Removing the requirement that the Task Force submit a written report to the legislature no later than 20 days prior to the convening of the regular session of 2015 and every five sessions thereafter;
- (5) Removing the requirement that the Task Force reconvene every five years;
- (6) Specifying that the powers granted to the Task Force are limited to legislative review and recommendation, and shall not duplicate the powers and duties of the Public Utilities Commission;
- (7) Changing the effective date of this measure to upon its approval; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1999, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1999, H.D. 2.



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



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: HB 1999, HDI	Committee Referral: EEP, CPC, FIN	Date: 2/12/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	<input checked="" type="checkbox"/>			
2. KAWAKAMI, Derek S.K. (VC)	<input checked="" type="checkbox"/>			
3. BELATTI, Della Au	<input checked="" type="checkbox"/>			
4. BROWER, Tom	<input checked="" type="checkbox"/>			
5. CACHOLA, Romy M.	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
6. CREAGAN, Richard	<input checked="" type="checkbox"/>			
7. EVANS, Cindy	<input checked="" type="checkbox"/>			
8. HAR, Sharon E.	<input checked="" type="checkbox"/>			
9. ITO, Ken	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
10. LEE, Chris	<input checked="" type="checkbox"/>			
11. NAKASHIMA, Mark M.	<input checked="" type="checkbox"/>			
12. OSHIRO, Marcus R.	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
13. TSUJI, Clift	<input checked="" type="checkbox"/>			
14. YAMANE, Ryan I.	<input checked="" type="checkbox"/>			
15. MCDERMOTT, Bob	<input checked="" type="checkbox"/>			
16. THIELEN, Cynthia	<input checked="" type="checkbox"/>			
TOTAL (16)	13			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. <small>_____ committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
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