

Honolulu, Hawaii
March 14, 2014

RE: S.B. No. 1043
S.D. 1
H.D. 1

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

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1043, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRICITY PRODUCERS,"

begs leave to report as follows:

The purpose of this measure as received by your Committee, is to protect consumer interest by authorizing the Public Utilities Commission and Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate) to examine all information relating to power purchase agreements under review by the Commission or the Consumer Advocate, including the examination of power purchase agreement-relevant cost information of independent power producers.

For the purposes of a public hearing on this bill, your Committee circulated S.B. No. 1043, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the Proposed Draft. In addition to authorizing the Commission and the Consumer Advocate to examine all information relating to power purchase agreements under review by the Commission or the Consumer Advocate, the Proposed Draft also establishes the Legislative Utility Review Task Force to review franchises held by investor-owned electric utilities.



A concerned individual testified in support of the Proposed Draft. The Public Utilities Commission; Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Hawaiian Electric Light Company; Maui Electric Company; Sandra-Ann Y.H. Wong, AAL, ALC; Life of the Land; Hawaii Renewable Energy Alliance; and a concerned individual commented on the Proposed Draft.

Your Committee considered the merits of both S.B. No. 1043, S.D. 1, as received by your Committee, and the Proposed Draft and upon careful consideration, adopted the Proposed Draft. Your Committee further amended the Proposed Draft by:

- (1) Removing language authorizing the Public Utilities Commission to examine all information relating to power purchase agreements under review by the Commission and the Consumer Advocate; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1043, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1043, S.D. 1, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



