



SENATE COMMITTEE ON WAYS AND MEANS

February 19, 2014, 9:15 A.M.

Room 211

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 2924

Chair Ige and members of the Committee on Ways and Means:

Blue Planet Foundation supports SB 2924, increasing the balance that may be retained in the public utilities commission (PUC) special fund at the end of a fiscal year. This measure will help ensure proper funding for the PUC to complete their essential work in guiding the transformation of our electricity system and utility to provide affordable, reliable, clean energy to power our lifestyles and economy.

This measure is important to Hawaii's clean energy future. The PUC is charged with developing and enforcing policies that govern the lifeblood of Hawaii's economy: electricity. They need to be properly funded to successfully navigate the multi-billion dollar transition to a clean energy future. We believe that the full amount of revenue generated in the special fund should be dedicated to the public utilities commission.

Currently, the PUC is funded through the PUC special fund which collects funding from various sources, most significantly an annual fee of one-half of one per cent of the gross income of the public utility's previous year's business. Over half of the revenue in this special fund—which receives about \$15 million to \$20 million annually—is diverted to the state's general fund, however. The PUC is currently deliberating dockets that will fundamentally reshape Hawaii's electric utility sector. Smart grid, utility decoupling, feed-in tariffs for clean energy, integrated resource planning—these dockets require thorough deliberation, research, and expert input. The PUC must have the talent and resources to adequately investigate and develop the right policies for Hawaii's 21st century electricity industry.

By increasing the balance that may be retained in the PUC's own special fund from \$1,000,000 to \$10,000,000 million annually, the PUC will have additional support to navigate the critical multi-billion dollar transition to Hawaii's clean energy economy.

Mahalo for the opportunity to testify.