
A BILL FOR AN ACT

RELATING TO PUBLIC ELECTRIC UTILITIES.

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

1 SECTION 1. The legislature finds that public utilities in
2 the State are private entities that are owned by investors who
3 are not necessarily residents of the State and are subject to
4 purchase by other private entities. Moreover, concerns have
5 been raised that the proposed purchase of Hawaiian Electric
6 Industries, Inc., by Florida-based NextEra Energy, Inc., will
7 negatively impact the State's commitment to the development of
8 renewable energy use.

9 The legislature also finds that cities across the country
10 are showing a renewed interest in taking over the electricity
11 business from public utilities that are privately owned by
12 investors. The reasons for this renewed interest are the
13 intensifying concerns about climate change and power
14 disruptions, and a desire to supply more renewable energy to the
15 electric grid. Simultaneously, developments in technology have
16 eroded some of the natural monopoly aspects of traditional



1 public utilities, especially with electricity generation,
2 electricity retailing, and telecommunication.

3 The legislature further finds that in contrast to
4 privately-owned public utilities, publicly-owned public
5 utilities include cooperative utilities that are owned by the
6 customers served by the cooperative utilities and municipal
7 utilities, such as a public authority, which are government
8 entities. A variation of the cooperative utility is the
9 establishment of a public power district, which is created with
10 the specific legislative intent to take over territory being
11 served by privately-owned public utilities.

12 The purpose of this Act is to require the University of
13 Hawaii, in consultation with the department of business,
14 economic development, and tourism to study the benefits of
15 establishing public electric utilities in the State that are
16 publicly owned.

17 SECTION 2. The University of Hawaii, in consultation with
18 the department of business, economic development, and tourism
19 shall study the benefits of establishing public electric
20 utilities in the State that are publicly owned.



H.B. NO. 3

1 The University of Hawaii shall submit a report of its
2 findings and recommendations, including any proposed
3 legislation, to the legislature not later than twenty days prior
4 to the convening of the regular session of 2016.

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2015-2016 for
8 the University of Hawaii to conduct the study required under
9 this Act.

10 The sum appropriated shall be expended by the University of
11 Hawaii for the purposes of this Act.

12 SECTION 4. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so
14 much thereof as may be necessary for fiscal year 2015-2016 for
15 the department of business, economic development, and tourism to
16 assist the University of Hawaii with the study required under
17 this Act.

18 The sum appropriated shall be expended by the department of
19 business, economic development, and tourism for the purposes of
20 this Act.



H.B. NO. 3

1 SECTION 5. This Act shall take effect on July 1, 2015.

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INTRODUCED BY:

Cynthia Weber

JAN 21 2015



H.B. NO. 3

Report Title:

Public Electric Utilities; UH; DBEDT; Study; Appropriations

Description:

Requires UH, in consultation with DBEDT, to study the benefits of establishing public electric utilities in the State that are publicly owned. Appropriates moneys for the study.

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