

STAND. COM. REP. NO.

861

Honolulu, Hawaii

March 6, 2015

RE: H.B. No. 619
H.D. 3

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 619, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE MERGER, ACQUISITION, AND CONSOLIDATION OF ELECTRIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to establish standards and criteria for the Public Utilities Commission and the Division of Consumer Advocacy to apply when determining whether to approve a merger or consolidation of an electric utility.

The Hawaii Solar Energy Association; Environmental Caucus; and a concerned individual supported this measure. NextEra Energy and Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company opposed this measure. The Public Utilities Commission; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Hawaii Renewable Energy Alliance; and The Alliance for Solar Choice commented on this measure.

Your Committee has amended this measure by:


- (1) Restoring existing section 269-19(a), Hawaii Revised Statutes, language regarding the types of transactions that require an order of approval from the Public Utilities Commission;



- (2) Specifying that the purpose of this measure is to clarify rather than establish standards to evaluate a proposed sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation of an electric utility;
- (3) Incorporating the proposed amendments from the Division of Consumer Advocacy, which clarify the factors to be considered when evaluating a covered transaction; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 619, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 619, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



