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TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2016

WEDNESDAY, MARCH 16, 2016
2:05 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE ANGUS L.K. McKELVEY, CHAIR,
AND MEMBERS OF THE COMMITTEE

SENATE BILL NO. 2776, S.D. 1 - RELATING TO THE PUBLIC UTILITIES
COMMISSION

DESCRIPTION:

This measure proposes to allow a commissioner to attend by teleconference or videoconference a public hearing of the Public Utilities Commission ("Commission"), except for a contested case hearing, including allowing a commissioner who resides on an island other than Oahu to attend a public hearing of the Commission held on an island other than Oahu, by teleconference or video conference. This measure also proposes to enable a member of the Commission who is a resident of a county other than the City and County of Honolulu to receive per diem compensation and enable a person's island of residence to be used as a criterion when determining the person's qualification to service as a commissioner. Effective July 1, 2050.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") supports this bill.

COMMENTS:

The Commission is responsible for protecting the interests of consumers and regulated utilities on all islands. The decisions of the Commission, especially in the energy field, will have a profound effect upon this state for years to come. The Consumer Advocate pointed out that where an individual previously lived and grew up may be equally important to that individual's perspective as to where that individual currently resides. In other words, someone who grew up on the neighbor islands, but who currently resides on Oahu, may have a closer affinity to the neighbor islands than someone who recently moved there. The Consumer Advocate therefore supports the amendment in this SD1 that changes the neighbor island residency requirement to a factor to be considered in selecting all commissioners.

In order to encourage neighbor island residents to serve on the Commission, neighbor island commissioners should not be financially disadvantaged compared to their Oahu counterparts. The Consumer Advocate therefore supports the provision in this legislation that requires a per diem compensation to neighbor island commissioners.

The Consumer Advocate further supports the provision in this legislation that allows for teleconference or videoconference participation by commissioners to attend public hearings. The Consumer Advocate suggests that the decision to allow teleconference or videoconference participation be left to the discretion of the Chair of the Commission, because there may be certain instances where teleconference or videoconference is impractical or inappropriate.

Thank you for this opportunity to testify.

TESTIMONY OF RANDY IWASE
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

March 16, 2016
2:05 PM

MEASURE: S.B. No. 2776, S.D. 1

TITLE: RELATING TO THE PUBLIC UTILITIES COMMISSISON

Chair McKelvey and Members of the Committee:

DESCRIPTION:

This measure allows commissioners of the Public Utilities Commission (“Commission”) to attend public hearings held on islands that they do not reside by teleconference or video conference; provided the hearing is not a contested case hearing. This measure also requires that commissioners who are residents of a county other than the city and county of Honolulu be provided with an unspecified per diem compensation “for the days on which actual service is rendered.” Finally, this measure explicitly allows for a person’s island of residence to be used as a criterion when determining the person’s qualification to serve as a commissioner.

COMMENTS:

The Commission appreciates the option to allow a commissioner to attend public hearings held on islands that they do not reside via teleconference or video conference, provided that the public hearing is not a contested case hearing. The Commission also notes that establishing the ability to exercise this option could be costly, particularly if the service employed would afford a level of functionality and reliability similar to that which could be expected if the commissioner were physically present.

The Commission also notes that providing per diem compensation for commissioners who are residents of a county other than the city and county of Honolulu is fair given the costs associated with working outside one’s county of residence. Compensation for lodging and transportation should also be considered.

S.B. No. 2776, S.D. 1
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Finally, the Commission notes that the Governor should be given wide discretion in selecting qualified candidates for appointment as commissioners. The language in this measure preserves that discretion.

Thank you for the opportunity to testify on this measure.



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HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

**THE HONORABLE ANGUS L. K MCKELVEY, CHAIR
THE HONORABLE JUSTIN H. WOODSON, VICE CHAIR**

**SENATE BILL NO. 2776 SD1
March 16, 2016, 2:05 p.m., Conference Room 325**

Written Testimony In Support

By

**Roy Catalani, Vice President of Strategic Initiatives and External Affairs
Sandra Y.B. Hoshida, Manager of Government Affairs
Young Brothers, Limited**

Chair McKelvey, Vice Chair Woodson, and Members of the House Committee on Consumer Protection and Commerce:

Young Brothers, Limited (*Young Brothers*) supports Senate Bill No. 2776 Senate Draft 1 (*SB2776 SD1*).

SB2776 SD1 proposes to enable a person’s island of residence to be a criterion when determining a candidate’s qualifications to serve as a member of the Public Utilities Commission (*PUC*). The bill also enables a commissioner who is not a resident of the City and County of Honolulu to receive per diem compensation. In addition, the measure contains provisions for attendance of public hearings via teleconference or videoconference, under certain circumstances, to facilitate a commissioner’s participation in PUC functions.

While all PUC commissioners are cognizant of their duties and responsibilities, a Neighbor Island member would fully appreciate the economic and community needs unique to its fellow residents. Young Brothers’ water transportation service provides an example of the importance of appreciating Neighbor Island communities and their special needs. Young Brothers carries to the Neighbor Islands most of the goods coming into the State through the Port of Honolulu. Timely, regular, and frequent sailings are essential to support the just-in-time economy of Neighbor Island merchants. With many doing away with costly warehouses to store inventory, many Neighbor Island businesses rely on timely, regular, and frequent arrival of merchandise aboard Young Brothers’ barges to stock shelves. Having a PUC commissioner who is sensitive to this fragile economic regime would be one way to enhance the PUC’s fulfillment of its mission.

Thank you for this opportunity to testify.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs
Karlie Asato, Hawaii Government Employees Assn
Joseph Boivin, Hawaii Gas
Warren Bollmeier, Hawaii Renewable Energy Alliance
Michael Brittain, IBEW, Local Union 1260
Albert Chee, Chevron
Elizabeth Cole, The Kohala Center
Kyle Datta, Ulupono Initiative
Mitch Ewan, UH Hawaii Natural Energy Institute
Jay Fidell, ThinkTech Hawaii
Carl Freedman, Haiku Design & Analysis
Matthias Fripp, REIS at University of Hawaii
Ford Fuchigami, Hawaii Dept of Transportation
Mark Glick, Hawaii State Energy Office, DBEDT
Justin Gruenstein, City & County of Honolulu
Dale Hahn, Ofc of US Senator Brian Schatz
Michael Hamnett, SSRI at University of Hawaii
Senator Lorraine Inouye, Hawaii State Legislature
Randy Iwase, Public Utilities Commission
Ashley Kaono, Ofc of US Representative Tulsi Gabbard
Jim Kelly, Kauai Island Utility Cooperative
Darren Kimura, Energy Industries
Kelly King, Sustainable Biodiesel Alliance
Kal Kobayashi, Maui County Energy Office
Representative Chris Lee, Hawaii State Legislature
Gladys Marrone, Building Industry Assn of Hawaii
Stephen Meder, UH Facilities and Planning
Hermina Morita, Energy Dynamics
Sharon Moriwaki, UH Public Policy Center
Tim O'Connell, US Dept of Agriculture
Jeffrey Ono, Division of Consumer Advocacy, DCCA
Stan Osserman, HCATT
Darren Pai, Hawaiian Electric Companies
Melissa Pavlicek, Hawaii Public Policy Advocates
Randy Pereira, Hawaii Government Employees Assn
Rick Reed, Hawaii Solar Energy Assn
Cynthia Rezentes, Ofc of US Representative Mark Takai
Rick Rocheleau, UH Hawaii Natural Energy Institute
Will Rolston, Hawaii County, Research & Development
Riley Saito, SunPower Systems
Scott Seu, Hawaiian Electric Companies
Joelle Simonpietri, US Pacific Command Energy Ofc
H. Ray Starling, Hawaii Energy
Ben Sullivan, Kauai County
Lance Tanaka, Par Hawaii, Inc.
Maria Tome, Public Utilities Commission
Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of the
Hawaii Energy Policy Forum
Before the

House Committee on Consumer Protection and Commerce
Wednesday, March 15, 2016 at 2:05 pm in Conference Room 325

Comments on SB 2776 SD1, Relating to The Public Utilities Commission

Chair McKelvey, Vice-Chair Woodson, and Members of the Committee,

The Hawaii Energy Policy Forum (“HEPF”), created in 2002, is comprised of over 40 representatives from Hawaii’s electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision, mission and comprehensive “10 Point Action Plan” guide us in moving Hawaii toward its preferred energy goals, and our comments on this bill.

SB2776 SD1 addresses neighbor island representation on the Public Utilities Commission (“PUC”), specifically allowing commissioners to attend public hearings by teleconference or videoconference, allowing residency to be used as a criterion and providing for per diem compensation for commissioners residing in a county other than the city and county of Honolulu.

While neighbor island residency may well be an appropriate consideration in the appointment of commissioners and their confirmation by the Senate, there should be no determinant criteria of residency. The most qualified individuals should be appointed regardless of where they live in the State. A candidate’s experience and qualifications, including where they have lived and for how long, should be the considerations taken into account, rather than where they currently reside.

If a neighbor island resident is selected as commissioner, the HEPF fully supports their participation at hearings through additional financial support for travel and reasonable living allowance for time spent on Oahu as well as use of teleconferencing and videoconferencing.

Finally, we recommend that the comments in the WAM committee report are important issues to be resolved so there is no ambiguity as to when a Commissioner is eligible for per diem.

Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies.