

HB 1880 HD3 SD1

Measure Title: RELATING TO ELECTRICAL CONTRACTORS.

Report Title: Electrical Contractors; Exemption; Licensing

Description: Extends the sunset date of the limited exemption from licensing requirements for electrical contractors who are retained by a public utility within the State to perform high voltage (600 volts or higher) electrical work and are deemed qualified by the public utility. Requires reports to the Legislature on workforce development activities for qualified high voltage electrical contractors. Takes effect 1/1/3000. (SD1)

Companion:

Package: None

Current Referral: LBR, CPH

Introducer(s): TAKUMI, ICHIYAMA

**PRESENTATION OF THE
BOARD OF ELECTRICIANS AND PLUMBERS**

TO THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, March 28, 2018
9:15 a.m.

WRITTEN TESTIMONY ONLY

**TESTIMONY ON HOUSE BILL NO. 1880, H.D. 3, S.D. 1, RELATING TO
ELECTRICAL CONTRACTORS.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Peter Akamu, and I am the Chairperson of the Board of Electricians and Plumbers ("Board"). I appreciate the opportunity to testify in support of H.B. 1880, H.D. 3, S.D. 1, Relating to Electrical Contractors. This measure is similar to S.B. 2297, which the Committee on Intrastate Commerce passed with amendments on March 23, 2018.

H.B. 1880, H.D. 3, S.D. 1 extends the sunset date of Act 65, Session Laws of Hawaii 2013, which provides a limited exemption from the electrician licensing requirements for individuals who are employed by electrical contractors who are retained by a public utility within the State to perform high-voltage (600 volts or higher) electrical work and are deemed qualified by the public utility. The Board discussed H.B. 1880, H.D. 1 at its February 13, 2018, board meeting.

The current law has been in effect for the past five years, and since the Board has not heard of any public safety concerns, it supports the law's continuation to June 30, 2023. The Board has not, however, had an opportunity to discuss the amendments proposed in section 3 of this measure, which requires the Department of Labor and Industrial Relations, in conjunction with the Department of Business, Economic Development and Tourism, to report to the Legislature on: programs in the State that offer high voltage vocational training; the number of individuals in those training programs; the number of licensed electricians in the State qualified to perform

House Bill No. 1880, H.D. 3, S.D. 1

March 28, 2018

Page 2

high voltage electrical work; and the partnerships promoting growth in the State of qualified individuals to perform high voltage work.

Thank you for the opportunity to submit written testimony on H.B. 1880, H.D. 3, S.D. 1.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION AND HEALTH
Wednesday, March 28, 2018
9:15 a.m.
State Capitol, Conference Room 229
in consideration of
HB1880, HD3, SD1
RELATING TO ELECTRICAL CONTRACTORS.

Chair Baker, Vice Chair Tokuda, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT):

- Does not take a position on HB1880, HD3, SD1, Section 2 of the measure that extends the sunset date of the limited exemption from licensing requirements for electrical contractors as specified.
- Opposes Section 3 which requires the Department of Labor and Industrial Relations (DLIR) in conjunction with DBEDT to submit an annual report until 2023 with data to help assess the continued necessity of the exemption provided for in this legislation. Neither DLIR, nor DBEDT, collect or has the current capacity to provide the specific information being requested. DLIR, as the lead of Section 2, would require funding for the research and data gathering for the collection of the information being requested.

Thank you for the opportunity to provide these comments.

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR



LEONARD HOSHIGO
DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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March 28, 2018

To: The Honorable Rosalyn H. Baker, Chair;
The Honorable Jill N. Tokuda, Vice Chair; and
Members of the Senate Committee on Consumer Protection and Health

Date: Wednesday, March 28, 2018
Time: 9:15 a.m.
Place: Conference Room 229, State Capitol

From: Leonard Hoshijo, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1880 HD3 SD1 Relating to Electrical Contractors

HB1880 HD3 SD1 contains a provision requiring DLIR and the Department of Business, Economic Development and Tourism (DBEDT) to submit an annual report each year until 2023 with data to help assess the continued necessity of the exemption provided for in this legislation. DLIR does not support this measure as amended, offers comments, and should this provision move forward will provide an estimated cost to obtaining the information.

DLIR does not collect nor has the current capacity to provide the specific information being requested of DLIR and DBEDT in an annual report to the Legislature through HB 1880 HD3 SD1.

The Department offers the following comments on the pertinent provisions:

- (1) Programs in the State that offer vocational training for high voltage electrical work;

DLIR does have online databases summarizing licensed training programs available in the State. However, the information is very general about electrician and construction trades training programs. It does not have information specific to training for high voltage electrical work.

- (2) The number of individuals receiving vocational training for high voltage electrical work;

The Department does not have enrollment information so that would have to be collected from providers.

- (3) The number of licensed electricians in the State qualified to perform high voltage electrical work; and

DLIR does not have licensure information for electricians qualified to perform high voltage work.

- (4) Existing partnerships promoting the growth of the number of persons in the State qualified to perform high voltage electrical work.

DLIR does not have this information, collecting this would require research and data gathering.



**Testimony to the Senate Committee on Commerce,
Consumer Protection and Health
Wednesday, March 28, 2018 at 9:15 A.M.
Conference Room 229, State Capitol**

RE: HOUSE BILL 1880 HD3 SD1 RELATING TO ELECTRICAL CONTRACTORS

Chair Baker, Vice Chair Tokuda, and members of the committee:

The Chamber is in **support** of HB 1880 HD3 which proposes to extend the sunset date of the limited exemption from licensing requirements for electrical contractors retained by an electric utility to work with high voltage and who are deemed qualified by the electric utility. It also requires the reports to the Legislature on workforce development activities for qualified high voltage electrical contractors.

The Chamber is the largest business organization in Hawaii, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

The bill limits the exemption to electric utility companies, and is a pro-active means to insure the State has access to qualified “high voltage” electricians, splicers, and linemen.

Due to the current lack of electricians, splicers, and linemen in the State who are experienced and qualified to work with high voltage, it may be necessary for an electric utility to contract and retain qualified personnel from other jurisdictions in the United States to perform such high voltage work. Where the electric utility retains such qualified personnel, the electric utility would have direct supervision of such personnel and would have the contractual authority to inspect and approve of all high voltage work prior to acceptance by the electric utility. Further, the operations of the electric utility are regulated and supervised by the public utilities commission. Such regulation and general supervision provides an additional layer of protection for the general public in the event the operations of the electric utility require review.

We understand the exemption has only been used a few times over the last five (5) year period due to the lack of experienced high voltage personnel for specialized work that was being done by the electric utility company.

Thank you for the opportunity to testify.

Testimony before the Senate Committee on Commerce, Consumer Protection, and Health

**By Paul A. Nakagawa
Superintendent, T&D Infrastructure
Construction and Maintenance Department
Hawaiian Electric Company, Inc.**

**Wednesday, March 28, 2018
9:15 a.m., Conference Room 229**

**House Bill 1880 HD3 SD1
Relating to Electrical Contractors**

Chair Baker, Vice Chair Tokuda, and Members of the Committee:

My name is Paul Nakagawa, and I am testifying on behalf of the Hawaiian Electric Company, Inc. and its subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (collectively, the “Hawaiian Electric Companies”) in strong support of HB 1880 HD3 SD1.

Act 35, Session Laws of Hawaii 2010, had the unintended consequence of preventing an electric utility in the state of Hawaii from retaining the services of qualified high voltage (600 volts or higher) electrical workers who are otherwise not licensed in the state. To address the need for an electric utility to retain the services of such individuals qualified to work with high voltage power lines, the legislature passed Act 65, Session Laws of Hawaii 2013. Act 65 provided a 5 year limited exemption from electrician licensing requirements for individuals employed by electrical contractors who were retained by and deemed qualified by a public utility to perform high voltage work. Act 65 is scheduled to be repealed on June 30, 2018. HB 1880 HD3 SD1 seeks a 5 year extension of this limited exemption.

The Hawaiian Electric Companies need this exemption and respectfully request that HB1880 HD3 SD1 be amended to take effect on June 29, 2018. Currently, other than the employees of the Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and Kauai Island Utility Cooperative, there are only a handful of electrical workers in the state that are qualified to perform high voltage work and a majority of them are either already employed or retired. Other than utility electrical workers, most in-state electrical workers are only experienced in low voltage (120 to 480 volts) work common in most residential homes and commercial buildings. High voltage work

requires additional skills, training, and experience with related tools and equipment, gained through a specific apprenticeship program. Examples of high voltage work include, but not limited to, the replacements of one hundred and thirty-eight thousand volt (e.g. 138KV) poles, structures, hardware, and electrical wires, located atop our Koolau mountain ridge and only accessible by helicopter or hiking. To safely and properly perform this work, we may need to bring in specialized out-of-state contractors whose electrical workers are not individually licensed under chapter 448E in the state of Hawaii, but whom are properly qualified and authorized to perform this type of work and other high voltage work in other states.

This exemption is also in the state's best interest because it allows an electric utility in the state of Hawaii to retain the services of qualified out-of-state high voltage workers to safely assist the utility in activities such as storm restorations, complex and specialized maintenance, and emergency restorations that potentially impact the health and safety of the State and its residents when there is a shortage of local experience.

Thank you for the opportunity to testify in support on this matter.



March 27, 2018

Senator Rosalyn Baker, Chair
Senator Jill N. Tokuda, Vice Chair
Senate Committee on Commerce, Consumer Protection and Health

Support of HB 1880, HD3, SD1 Relating to Electrical Contractors (Extends the sunset date of the limited exemption from licensing requirements for electrical contractors who are retained by a public utility within the State to perform high voltage (600 volts or higher) electrical work and are deemed qualified by the public utility. Requires reports to the Legislature on workforce development activities for qualified high voltage electrical contractors. Takes effect 1/1/3000.)

Wednesday, March 28, 2018, at 9:15 a.m., in Conference Room 229

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **support of HB 1880, HD3, SD1.**

HB 1880, HD3, SD1. This bill proposes to extend the sunset date of Act 65 SLH 2013), which provides the limited exemption from licensing requirements for electrical contractors who are retained by a public utility within the State to perform high voltage (600 volts or higher) electrical work and are deemed qualified by the public utility; requires reports to the Legislature on workforce development activities for qualified high voltage electrical contractors; and takes effect on January 1, 3000.

LURF's Position. LURF understands that this measure is necessary, because other than the employees of the major electric utilities, there is a shortage of electrical workers in the state that are qualified to perform high voltage work, as most in-state electrical workers are experienced in only low voltage work, which includes wiring residences and buildings at one hundred twenty/two hundred forty volts.

According to the testimony in support of this measure, there is a need for additional electrical workers from the Mainland who possess the level of skill required for such high voltage work in the event of a storm restorations, complex and specialized maintenance, and other emergency restorations that potentially impact the health and safety of the State and its residents,

LURF understands that for the past four years, the exemption provided in Act 65 (SLH 2013), has worked well, without any problems, has benefited the public by providing reliable electrical energy service, and has furthered the State's efforts to reach its renewable energy goals. However, Act 65 (SLH 2013) sunsets on June 30, 2018; and the extension provided by this bill is necessary to allow continued benefits to the residents of the State and progress toward the State's renewable energy goals.

For the above reasons, LURF **supports HB 1880, HD3, SD1** and respectfully urges your favorable consideration.

Thank you for the opportunity to present testimony regarding this matter.



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, ROOM 401 • HONOLULU, HI 96819-5003

TELEPHONE (808) 847-5341 • FAX (808) 847-2224

March 27, 2018

TO: SENATE COMMITTEE ON COMMERCE CONSUMER PROTECTION AND HEALTH

For: HB1880 SD1 Relating to Electrical Contractors

Hearing on Wednesday, March 28, 2018, at 9:15 p.m., in Conference Room 229

Honorable Chair Baker, Vice Chair Tokuda and Committee Members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents nearly 4,000 members working in electrical construction, telecommunications, and with Oceanic Cable. Our members include civil service employees at Pearl Harbor, Hickam, Kaneohe, and military facilities throughout Hawaii. IBEW Local 1186 also represents over 120 signatory electrical contracting companies that perform most of the electrical work in our state.

IBEW 1186 OPPOSES HB1880 SD1.

Act 65 (2013)'s "limited exemption" for contractors and its employees who perform work for the electric utility during emergency situations was scheduled for repeal on June 30, 2018. Justification at the time Act 65 became law, was based largely on an expressed shortage of qualified in-state personnel to perform high voltage work during times of disaster and/or emergencies. As evidenced in testimony provided by the electric utilities Superintendent of its Construction Management Division on March 27, 2013 (SB512 SD1 HD1), it was cited that, "*The exemption is in the best interest because it allows contractors to utilize qualified out-of-state high-voltage workers to safely assist the utility in activities such as storm restorations, complex maintenance, and emergency situations, when there is a shortage of local experience.*"

IBEW 1186 appreciates the amendments provided in HB1880 HD3 which requires annual reporting that includes the current state of vocational training programs, the number of licensed electricians performing high-voltage work in the State and existing partnerships that promote the growth of persons locally licensed to perform high-voltage electrical work. IBEW Local 1186 stands ready to work with our local industries to strengthen its workforce and to provide our local working families with the opportunity to earn a living wage.

IBEW 1186 is concerned that the current bill language does not expressly address the intent of the exemption for emergencies and/or catastrophic events, and may lead to the unintended consequences of exempting licensing requirements for work that is regularly performed by qualified and licensed Journeyworker Electricians in the State of Hawaii, of which there are no shortages of workers.

Thank you for the opportunity to provide comments on this measure.

Mahalo and aloha,

Damien Kim

Business Manager – Financial Secretary

International Brotherhood of

Electrical Workers, Local Union 1186



March 28, 2018

TO: SENATOR ROSALYN H. BAKER, CHAIR COMMERCE, COMSUMER PROTECTION, AND HEALTH
SENATOR JILL TOKUDA, VICE-CHAIR COMMERCE, COMSUMER PROTECTION, AND HEALTH
MEMBERS OF THE COMMITTEE ON COMMERCE, COMSUMER PROTECTION, AND HEALTH

FROM: BRUCE CONWAY, SR. DIRECTOR OF OPERATIONS
POWER CONTRACTING LLC

RE: HOUSE BILL 1880 HD3 SD1 RELATING TO ELECTRICAL CONTRACTORS –
SUPPORT

Dear Chair Johanson, Vice-Chair Holt and Members of the Committee:

I am Bruce Conway, Sr. Director of Operations for POWER Contracting LLC testifying in strong support of HB1880 HD3 SD1 Relating to Electrical Contractors. We are a licensed electrical contractor in Hawaii with C-62 and C-63 license under Chapter 444. Our Journeyman Lineman hold Journeyman Lineman cards from the IBEW and have completed extensive apprenticeship training that includes field training, class time, and successfully passing a Journeyman Lineman exam.

We are in strong support HB1880 HD3 SD1, and the extension of the repeal date from June 30, 2018 to June 30, 2023 or later. Our industry works on the construction and maintenance of high voltage power lines both overhead and underground with distribution and transmission voltages requiring the specialized skills of Journeyman Lineman, Foreman and General Foreman who are all trained certified Journeyman Lineman. Public utilities like HECO and others contract with local and mainland companies to perform work on high voltage powerlines. Extension of the repeal date continues to enable Hawaii to have access to additional experienced high voltage Journeymen Lineman to provide the necessary capacity to meet the public utilities infrastructure construction and maintenance.

To summarize, HB1880 extends the repeal contained in section 448E-13 to June 30, 2023. Thank you for the opportunity to testify in support of HB1880, and we ask that your committee pass this short term measure to continue providing critical capacity to public utilities throughout the state.