STAND. COM. REP. NO. 1391

Honolulu, Hawaii

MAR 2 2 2019

RE: H.B. No. 1319

H.D. 2 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 1319, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR ELECTRIC PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize special purpose revenue bonds for Hawaiian Electric Company, Inc. and its subsidiaries, Maui Electric Company and Hawaii Electric Light Company, for multi-project capital improvement programs.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc. and Ulupono Initiative. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that Hawaii's energy issues are becoming increasingly complex and challenging. The electric utility companies for the City and County of Honolulu and the Counties of Maui and Hawaii are slowly transforming their business operations toward more renewable energy production, energy storage, and clean transportation. For this transition to occur, they will require access to low-cost financing. Special purpose revenue bonds can provide lower cost capital, and the renewable and clean investments can save ratepayers money in the long term. This

measure will help finance multi-project capital improvement programs for the local furnishing of electric energy to the City and County of Honolulu and the Counties of Maui and Hawaii.

Your Committee has amended this measure by:

- (1) Inserting a total special purpose revenue bond issuance amount of \$700,000,000, including:
 - (A) Up to \$400,000,000 for Hawaiian Electric Company, Inc.;
 - (B) Up to \$150,000,000 for Maui Electric Company, Limited; and
 - (C) Up to \$150,000,000 for Hawaiian Electric Light Company, Inc.; and
- (2) Inserting an effective date of July 1, 2019.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1319, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1319, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Health,

ROSALYN H. BAKER, Chair

2019-2602 SSCR SMA.doc

The Senate Thirtieth Legislature State of Hawai'i

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*	Committee Referral:			Date:		
HB 1379, HDZ	CPH, WAM			3/15/19		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	R)	Nay	Excused
BAKER, Rosalyn H. (C)						
CHANG, Stanley (VC)		1				
KEOHOKALOLE, Jarrett						/
NISHIHARA, Clarence K.		V		-		
RUDERMAN, Russell E.		<i>J</i>				
THIELEN, Laura H.						
FEVELLA, Kurt	140.00					/
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TOTAL		5				7
Recommendation:						
Adopted Not Adopted						
Chair's or Designee's Signature:						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

*Only one measure per Record of Votes