

STAND. COM. REP. NO. 1397

Honolulu, Hawaii

MAR 22 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



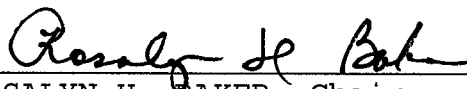
measure will help finance multi-project capital improvement programs for the local furnishing of electric energy to the City and County of Honolulu and the Counties of Maui and Hawaii.

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



