

STAND. COM. REP. NO.

1530

Honolulu, Hawaii

MAR 25 2019

RE: S.C.R. No. 200  
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 S.C.R. No. 200 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE PUBLIC UTILITIES  
COMMISSION TO APPROVE A SUBSIDY THROUGH UTILITY RATES FOR  
REASONABLE RATEMAKING TREATMENT TO LESSEN THE BURDEN OF  
ENERGY COSTS ON LOW- AND LIMITED-INCOME AND SPECIAL MEDICAL  
NEEDS CUSTOMERS,"

begs leave to report as follows:

The purpose and intent of this measure is to request the  
Public Utilities Commission to approve a subsidy through utility  
rates for reasonable ratemaking treatment to lessen the burden of  
energy costs on low- and limited-income and special medical needs  
customers.

Your Committee received testimony in support of this measure  
from the Department of Human Services; Hawaiian Electric Company,  
Inc.; Maui Economic Opportunity, Inc.; Parents and Children  
Together; Aloha United Way; Honolulu Community Action Program,  
Inc.; Helping Hands Hawai'i; and Hospice Hawai'i. Your Committee  
received comments on this measure from the Department of Commerce  
and Consumer Affairs and Public Utilities Commission.

Your Committee finds that Hawaii's high cost of living  
greatly affects the low-income population and utility customers  
with special medical needs. Although the rates for rent and



mortgages in Hawaii are the highest in the nation, the median earnings are only slightly higher than the United States median at \$46,978 per year. Utility costs associated with special medical needs, such as life support equipment or increased cooling due to a medical condition, can be unrelenting and can easily cause an individual or family to lose their financial stability. This measure lays the framework for electric utility companies to pursue programs to help low-income and special medical needs customers and allows the Public Utilities Commission to approve a subsidy through ratemaking to help lessen the burden of energy costs for underserved customers.

Your Committee notes the testimony from the Department of Commerce and Consumer Affairs expressing concern that there are already a number of existing programs that provide assistance for low-income customers and requiring the Commission to approve one specific subsidy model may not be sustainable and could result in unintended consequences. The Department of Commerce and Consumer Affairs testified that providing the Commission with more flexibility will help ensure that all customers benefit and that, where necessary, innovative and cost-effective solutions that do not result in unintended consequences are explored and developed. Therefore, amendments to this measure are necessary to address these concerns.

Your Committee has amended this measure by:

- (1) Clarifying that the Public Utilities Commission is requested to consider, rather than approve, reasonable ratemaking treatment and cost-effective solutions to lessen the burden of energy costs on low- and limited-income and special medical needs customers;
- (2) Requesting that the Public Utilities Commission and interested stakeholders to explore cost-effective solutions;
- (3) Amending its title in accordance with its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



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 concurs with the intent and purpose of S.C.R. No. 200, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 200, S.D. 1.

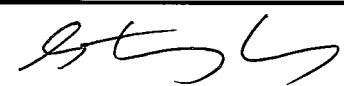
Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



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:		
SCR 200	CPH, WAM	3/20/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	7			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes