

HB 1305 HD2

Measure Title: RELATING TO MUTUAL ASSISTANCE AGREEMENT.

Report Title: Mutual Assistance Agreement; Natural Disaster; Emergency

Description: Authorizes the State and electrical and gas utilities to enter into a mutual assistance agreement with an out-of-state utility to assist in the restoration of electrical or natural gas power following a natural disaster or emergency. (HB1305 HD2)

Companion:

Package: None

Current Referral: PSM, CPH

Introducer(s): SAIKI



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310

P.O. BOX 541

HONOLULU, HAWAII 96809

Phone Number: 586-2850

Fax Number: 586-2856

cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce, Consumer Protection, and Health
Thursday, March 28, 2019
9:30 a.m.
State Capitol, Conference Room 229**

**On the following measure:
H.B. 1302, H.D. 2, RELATING TO MUTUAL ASSISTANCE AGREEMENT**

WRITTEN TESTIMONY ONLY

Chair Baker and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to authorize the State and electrical and gas utilities to enter into a mutual assistance agreement with an out-of-state utility to assist in the restoration of electrical or natural gas power following a natural disaster or emergency.

The Department recognizes the urgency of repair whenever an emergency or a natural disaster may cause overwhelming damage to the electrical grids or utility gas infrastructure on which all of Hawaii depends. The Department also recognizes the increasing frequency of powerful storms. Mutual assistance agreements are one important class of mechanisms that will improve the resilience of Hawaii's regulated energy infrastructure and expedite the restoration of utility service to customers, with

which the Department is especially concerned. The exemptions from and exceptions to rules that may otherwise slow or hinder out-of-state assistance in limited circumstances, as proposed in this bill, are reasonable and measured.

Thank you for the opportunity to testify on this bill.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE, CONSUMER PROTECTION AND HEALTH**

H.B. 1305, HD2

Relating to Mutual Assistance Agreement

Thursday, March 28, 2019
9:30 A.M., Agenda Item #4
State Capitol, Conference Room 229

Written Testimony in Strong Support Requesting Amended Effective Date

Carina Y. Ohara
Senior Associate General Counsel
Hawaiian Electric Company, Inc.

Dear Chair Baker, Vice Chair Chang and Members of the Committee,

My name is Carina Ohara and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities Maui Electric Company and Hawai'i Electric Light Company (collectively, "Hawaiian Electric") **in strong support of H.B. 1305, HD2, Relating to Mutual Assistance Agreement and respectfully requests an amendment to change the effective date to July 1, 2019.**

H.B. 1305, HD2 will ensure that in times of a natural disaster or emergency, qualified utility workers from out-of-state utilities can assist the States' electric and gas utilities with safe and timely restoration efforts. These out-of-state utilities are signatory to a mutual aid agreement between multiple utility companies across the United States and Canada, when in time of necessity, the member utilities will make their employees available to utilities in need to assist with timely restoration efforts. Existing state and local resources may easily be exceeded in times of a major natural disaster or emergency, and therefore require outside assistance to ensure safe and timely

restoration of critical infrastructure with qualified and experienced utility workers. This agreement specifically provides that the mobilized out-of-state utility workers who provide assistance will remain employees of their home utility, and will return to their home state upon completion of their restoration support.

Should H.B. 1305, HD2 become law, in time of emergency or a major natural disaster, the state's electric utilities will not be hindered or prevented from requesting help from out-of-state utility workers for assistance; furthermore, visiting out of state utility workers will avoid facing violations of the State's contractors' licensing laws, electricians' licensing requirements, and commercial drivers' licensing requirements while working in Hawaii, as these laws in its current form cannot be complied with in the period of time required to mobilize out-of-state utility workers to support our restoration efforts during an emergency.

Accordingly, the Hawaiian Electric Companies strongly supports H.B. 1305, HD2 and kindly requests that the effective date of the bill be changed to July 1, 2019 . Thank you for this opportunity to testify.



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

Thursday, March 28, 2019 9:30 a.m.
Conference Room 229, State Capitol
RE: House Bill 1305 HD2

Chair Baker, Vice Chair Chang, and Members of the Committee Commerce, Consumer Protection and Health

Hawaii Gas **supports HB 1305 HD2, and provides the following comments to the bill:**

Mutual aid assistance is a common practice among utilities across the U.S. and its territories. This bill provides authority for the State, electrical and gas utilities to enter into mutual assistance agreement with an out-of-state utility in the restoration of electrical or utility natural gas infrastructure following events such as natural disasters or emergencies.

For years, utilities have been providing mutual aid to each other during emergencies. Ensuring that we prepare for and have appropriate responses to secure and restore energy and grid reliability when we need it will help address how we respond to larger-scale emergencies and improve coordination across jurisdictions.

Hawaii Gas (HG) has been serving customers through the state for 115 years. It is the only government franchised full service gas utility, producing and distributing gas products and providing related services. Unlike other gas utilities, Hawaii Gas' products are made in locally through our Campbell Industrial Plant that takes naphtha, a byproduct from the refinery, to make synthetic natural gas for our utility customers. Our company also began producing renewable natural gas (RNG) through waste biogas from the City & County of Honolulu's Honouliuli Wastewater Treatment Plant in Ewa Beach in 2018. The Honouliuli plant is unique, as very few RNG facilities are built for gas utility customers. Our company plays a small, but important role in Hawaii as a clean, cost-efficient and resilient energy source.

Thank you for the opportunity to testify.

Sincerely,

Jeannine A. Souki
Director, Government Affairs and Corporate Communications