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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Public Safety, Intergovernmental, and Military Affairs
Thursday, March 14, 2019
1:15 p.m.
State Capitol, Conference Room 229**

**On the following measure:
H.B. 1305, H.D. 2, RELATING TO MUTUAL ASSISTANCE AGREEMENT**

Chair Nishihara 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 due to the effects of global climate change. 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
PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS**

H.B. 1305, HD2

Relating to Mutual Assistance Agreement

Thursday, March 14, 2019
1:15 p.m., Agenda Item #2
State Capitol, Conference Room 229

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

Dear Chair Nishihara, Vice Chair Wakai 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.

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. Thank you for this opportunity to testify.



Testimony to the Senate Committee on Public Safety, Intergovernmental, and Military Affairs

Thursday, March 14, 2019 1:50 p.m.
Conference Room 229, State Capitol
RE: House Bill 1305 HD2

Chair Nishihara, Vice Chair Wakai and Members of the Committee on Public Safety,
Intergovernmental, and Military Affairs

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

Hawaii Gas (HG) has been serving customers throughout 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, the majority of Hawaii Gas' products on Oahu are made locally through our Synthetic Natural Gas (SNG) Plant in Campbell Industrial Park. The SNG Plant 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.

The U.S. Department of Defense, U.S. Department of Homeland Security, other federal agencies, and state and county governments recognize the interrelated segments: electricity, oil natural gas as part of the energy infrastructure system. Without a stable energy supply, health and welfare are threatened, and the economy cannot function.¹

Mutual aid assistance is a common practice among utilities across the U.S. and its territories. Utilities across the country have been providing mutual aid to each other during emergencies for years. Ensuring that we prepare for and have appropriate responses to secure energy and grid reliability will help address how we can respond to larger-scale emergencies, coordinate better across jurisdictions and how mutual assistance may also be used to address less-understood threats like cyberattacks or large-scale acts of terrorism.

¹ U.S. Department of Homeland Security, Cyber and Infrastructure Security Agency, Energy Sector, <https://www.dhs.gov/cisa/energy-sector>



There are a number of reasons why federal, state and local governments consider natural gas systems as a critical part of energy security.

- The physical operations of natural gas production, transmission and distribution make the system inherently reliable and resilient.
- Natural gas pipelines are mostly underground and protected from weather and other elements.
- Disruptions to natural gas service are rare.
- Natural gas storage helps provide energy and economic security for commerce and consumers to recover in the event of disasters and emergencies.

Mutual aid assistance agreements are beneficial to our state allowing electrical energy utilities and gas utilities to engage out-of-state utilities to assist in the restoration of infrastructure following events such as natural disasters.

For these reasons, we urge your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Jeannine A. Souki
Director, Government Affairs and Corporate Communications



LATE

March 14, 2019

Senator Clarence K. Nishihara, Chair
Senator Glenn Wakai, Vice Chair
Senate Committee on Public Safety,
Intergovernmental, and Military Affairs

Support of HB 1305, HD2, Relating to a Mutual Assistance Agreement (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.)

PSM Hrg: Thursday, March 14, 2019, 1:15 p.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, resort operators and major utility companies. 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 1305, HD2.**

HB 1305, HD2. This measure 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.

LURF's Position. LURF supports the intent and purpose of this measure, which is to ensure that in times of emergencies or a natural disaster where assistance may be necessary to restore critical electrical and natural gas infrastructure, that the State along with electrical and natural gas utilities would be lawfully allowed to enter into a mutual assistance agreement with an out-of-state utility to assist in the restoration of electrical and natural gas power.

Thank you for the opportunity to provide comments in support of this measure, with the proposed amendments.