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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Energy and Environmental Protection
Thursday, April 11, 2019
9:40 a.m.
State Capitol, Conference Room 325**

On the following measure:

**S.C.R. 200, S.D. 2, REQUESTING THE PUBLIC UTILITIES COMMISSION
TO CONSIDER REASONABLE RATEMAKING TREATMENT COST-EFFECTIVE
SOLUTIONS TO LESSEN THE BURDEN OF ENERGY COSTS
ON LOW- AND LIMITED-INCOME AND SPECIAL MEDICAL NEEDS CUSTOMERS**

Chair Lowen 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 resolution.

The purpose of this resolution is to request the Public Utilities Commission (Commission) to consider reasonable ratemaking treatment and cost-effective solutions to lessen the burden of energy costs on low- and limited-income and special medical needs customers.

As expressed in earlier testimony, the Department supports affordable bills for all customers. Thus, the Department has sought to encourage cost-effective utility management decisions to mitigate unreasonable increases in utility rates. The Department has also advocated for customer equity and programs for low-income

customers in many proceedings, such as those for energy efficiency, green energy market securitization, and distributed energy resources. The Department acknowledges, however, that some programs that have helped certain subsets of customers are generally unavailable to other customers for various reasons, such as the high cost to install equipment or tenants' inability to install equipment because it is not allowed under their lease. For that reason, the Department supports the intent of this measure, as the Department is concerned that certain customers, such as low-income and fixed-income customers, may be "left behind" as Hawaii's energy market evolves.

As Hawaii's electric industry continues to evolve, stakeholders must ensure that all customers benefit and that, where necessary, innovative and cost-effective solutions are developed to help customers who might otherwise be left behind. Thus, the Department appreciates the amendments made in S.D. 1, in response to the Department's prior testimony. Giving the Commission flexibility as to what actions might be taken and requesting that interested stakeholders, such as the Commission and electric utility companies, explore cost-effective solutions will result in better outcomes for the targeted demographics and for all customers. The Department notes that S.D. 2 requests that the Commission approve a subsidy through utility rates to establish a program to assist low-income and special medical needs customers until a state-funded program is established. The Department has concerns with the potential impacts of subsidies in Hawaii's evolving electricity market but, with the understanding that the Legislature supports a state-funded program that assists low-income and special medical needs customers, the Department believes the S.D. 2 amendment is reasonable.

Thank you for the opportunity to testify on this resolution.



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • TTY (808) 586-8162

April 11, 2019

TESTIMONY TO THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

SCR 200, SD2 – Requesting the Public Utilities Commission to Consider Reasonable Ratemaking Treatment and Cost-Effective Solutions to Lessen the Burden of Energy Costs on Low- and Limited-Income and Special Medical Needs Customers


The Disability and Communication Access Board (DCAB) supports SCR 200, SD2 – Requesting the Public Utilities Commission to Consider Reasonable Ratemaking Treatment and Cost-Effective Solutions to Lessen the Burden of Energy Costs on Low- and Limited-Income and Special Medical Needs Customers.

DCAB notes that some customers with medical needs rely on life support equipment at home which may result in increased heating or cooling or other needs that may be related to the individual's specific medical needs.

We believe that establishing a subsidy program through utility rates approved by the Public Utilities Commission will offer financial relief to customers with disabilities who are low-income customers or customers with special medical needs. By collaborating with stakeholders, including people with disabilities or special medical needs, the Public Utilities Commission and Hawaiian Electric Company will be able to explore and develop effective solutions to ease the burden of electricity costs on people with low- and limited income and special medical needs.

Thank you for the opportunity to offer testimony.

Respectfully submitted,

for 
FRANCINE WAI
Executive Director

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION

April 11, 2019
9:40 a.m.

Chair Lowen and Members of the Committee:

MEASURE: S.C.R. No. 200 SD2

TITLE: REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONSIDER REASONABLE RATEMAKING TREATMENT AND COST-EFFECTIVE SOLUTIONS TO LESSEN THE BURDEN OF ENERGY COSTS ON LOW- AND LIMITED-INCOME AND SPECIAL MEDICAL NEEDS CUSTOMERS.

DESCRIPTION: REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONSIDER REASONABLE RATEMAKING TREATMENT AND COST-EFFECTIVE SOLUTIONS TO LESSEN THE BURDEN OF ENERGY COSTS ON LOW- AND LIMITED-INCOME AND SPECIAL MEDICAL NEEDS CUSTOMERS.

POSITION:

The Public Utilities Commission offers the following comments for consideration.

COMMENTS:

The Public Utilities Commission (“Commission”) is supportive of the intent of the resolution to lessen the burden of energy costs on low- and limited-income and special medical needs customers.

The Commission recognizes the high cost of electricity imposes a particular burden on low-income customers and has prioritized utility cost reductions and affordability in many proceedings before the Commission, including general rate cases, power purchase agreements for low-cost renewable energy projects, and innovative programs such as the demand response portfolio that reduce costs to customers. In addition, in overseeing the efforts of the Public Benefits Fee Administrator (“Hawaii Energy”), the Commission has

emphasized the importance of energy efficiency programs and services for hard-to-reach customers, including low- and limited-income customers.

The Commission has recently provided guidance to the Hawaiian Electric Companies to consider low-income customers as part of the Hawaiian Electric Companies' Grid Modernization Strategy and project implementation (see Docket Nos. 2017-0226 and 2018-0141). Specifically, the Commission expects the Hawaiian Electric Companies to develop an Advanced Rate Design Strategy which will address, among other items, "potential rate reform considerations to support low-income customer participation" in advanced rates. As such, the Commission is appreciative of the Legislative guidance provided by this resolution.

The Commission will continue to support and develop reasonable measures that lessen the burden of energy costs on low- and limited-income and special medical needs customers.

Thank you for the opportunity to testify on this measure.

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION**

S.C.R. 200, SD2

**REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONSIDER
REASONABLE RATEMAKING TREATMENT AND COST-EFFECTIVE SOLUTIONS
TO LESSEN THE BURDEN OF ENERGY COSTS ON LOW- AND LIMITED-INCOME
AND SPECIAL MEDICAL NEEDS CUSTOMERS.**

Testimony in Support

Thursday, April 11, 2019
9:40 AM, Agenda Item #4
State Capitol, Conference Room 325

**By Joanna Markle
Customer Ombudsman
Hawaiian Electric Company, Inc.**

Dear Chair Lowen, Vice Chair Wildberger and Members of the Committee,

My name is Joanna Markle and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company (collectively "Hawaiian Electric") in support of Senate Concurrent Resolution 200, SD2 ("SCR 200, SD2"). SCR 200, SD2, which would lay the framework for the Hawaiian Electric Companies to pursue programs to help low-income and special medical needs customers and provide notice to the Public Utilities Commission of the Legislature's support of the program.

For your background, on January 18, 2017, the Hawaiian Electric Companies filed a Special Medical Needs Tariff, Transmittal No. 17-01, requesting that the Public Utilities Commission establish a Special Medical Needs Pilot Program for the two-year period from April 1, 2017, through March 31, 2019. In response, in the PUC's Decision and Order for the Company's request to establish a special medical needs pilot program, the PUC stated that the legislature did not appear to have established in HRS chapter 269 an energy subsidy policy for low income families or customers with special medical needs and directed the Company to advance their social policy goals through their respective rate structures. As a result of the PUC's directive, the Hawaiian Electric Companies introduced this concurrent resolution to reflect the legislature's support of such program.



Hawaii's high cost of living greatly affects our low-income population and our customers with special medical needs. Although the rates for rent and mortgages for Hawaii are the highest in the nation, the median earnings for Hawaii are only slightly higher than the U.S. median at \$46,978.¹

Hawaiian Electric works closely with the State's Low-Income Home Energy Assistance Program ("LIHEAP") office and their designated intake organizations, Hawaii Community Action Program (HCAP), Maui Economic Opportunity (MEO), and Hawaii County Economic Opportunity Council (HCEOC) to administer the LIHEAP Energy Credit, which is the annual credit applied to the accounts of eligible customers. Hawaiian Electric also actively works with HCAP, MEO and HCEOC to administer the LIHEAP Emergency Crisis Intervention (ECI) funds every month to help low income customers who face disconnection or who are already disconnected, as well as other non-profit organizations to secure additional funds to reconnect customers. Hawaiian Electric Companies have learned from our special medical needs customers that they may come from all different financial backgrounds; however, their special medical needs and the medical costs associated with their special medical needs can be unrelenting and can easily cause an individual and/or family to lose their financial stability.

The Hawaiian Electric Companies plans to sunset the Special Medical Needs Pilot Program in 2020 as it is currently subsidized by Hawaiian Electric shareholders and as the Consumer Advocate points out in prior testimony, this is not sustainable for a permanent program. We support the Consumer Advocate's efforts to create a State LIHEAP program. Until a State funded low income program is established, the Hawaiian Electric Companies supports a rate subsidy for low income and special medical needs programs.

The Hawaiian Electric Companies view helping low income individuals/families and customers with special medical needs, in line with our Company culture of helping our community, our neighbors, our family. Thank you for the opportunity to testify in support of SCR 200, SD2.

¹ U.S. Census Bureau, American Community Survey 1 –Year Estimates, Earnings in the Past 12 months (in 2017 Inflation-Adjusted Dollars). 2017. < <https://factfinder.census.gov> >



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Hearing: SCR 200 SD2 in support
Date: April 11, 2019
Location: State Capitol – Rm. 325
To: Committee Chair, Vice-Chair, and Committee Members:

Aloha Committee Chair, Vice-Chair, and Committee Members:


I am submitting testimony on behalf of HOPE Services Hawai'i, a nonprofit homelessness service provider, in support of SCR 200 SD2, which would ease the burden of energy costs on customers struggling with low or limited income and/or special medical needs.

With sky-high rents and an ever-increasing cost of living, many working Hawaii families and individuals struggle to find money to meet their basic needs—food, healthcare, and transportation. Adding hefty utility costs can strain their budgets even further—putting many in danger of becoming homeless.

SCR 200 SD2 would approve a subsidy that would ensure that the Hawaiian Electric Companies have the ability to help lessen the burden of energy costs for underserved customers, potentially helping them from falling further into poverty or homelessness. It will also free up some of the resources we use to help customers pay utility bills, so that we can help even more people to avoid homelessness.

For these reasons, I strongly urge your support for SCR 200 SD2.

Mahalo for your consideration.

Sincerely,
Brandee Menino

Chief Executive Officer
HOPE Services Hawaii, Inc.

JOIN OUR COMMUNITY



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Brandee Menino



Aloha United Way

Aloha United Way
200 N. Vineyard Blvd., Suite 700
Honolulu, Hawaii 96817

April 9, 2019

Representative Nicole E. Lowen, Chair, Committee on Energy & Environmental Protection
Representative Tina Wildberger, Vice Chair, Committee on Energy & Environmental Protection

SCR 200 SD2 (SSCR1681): STRONG SUPPORT

Hearing: April 11, 2019; Hearing Time 9:40 AM; Conference Room 325

Aloha Chair Lowen, Vice Chair Wildberger and Committee Members:

Aloha United Way strongly supports SCR 200, SD2 which requests the Public Utility Commission to approve a subsidy through utility rates for reasonable ratemaking treatment to lessen the burden of energy costs on low- and moderate-income and special medical needs customers.

Aloha United Way has been participating in the Low Income Constituent Focus Group meetings facilitated by the Hawaiian Electric Companies and we collaborate with the utility to help our mutual clients in need. This resolution will ensure that the Hawaiian Electric Companies have the ability to help lessen the burden of energy costs for our underserved clients.

Aloha United Way operates Hawaii's statewide 211 Information and Referral Service. In 2018, we received over 94,000 requests for assistance and the third most common request (after food and rent assistance) was for help with utility bills. The proposed program will provide the resources to enable our community to help those in need.

Thank you for the opportunity to submit testimony. We urge your favorable consideration of SCR 200, SD2.

Sincerely,



Cindy Adams
President & CEO



TO: Chair Lowen, Vice Chair Wildberger, and Members of the House Committee on Energy and Environmental Protections

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: April 11, 2019; 9:40 a.m., Conference Room 325

RE: TESTIMONY IN SUPPORT OF SCR 200 SD 2

We are writing in support of S.C.R. 200 REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONSIDER REASONABLE RATEMAKING TREATMENT AND COST-EFFECTIVE SOLUTIONS TO LESSEN THE BURDEN OF ENERGY COSTS ON LOW- AND LIMITED-INCOME AND SPECIAL MEDICAL NEEDS CUSTOMERS.

Our organization has been participating in the Constituent Focus Group meetings facilitated by the Hawaiian Electric Companies and we collaborate with the utility to help our mutual clients in need, particularly those who are cost-burdened and financially under-resourced. This resolution will ensure that the Hawaiian Electric Companies have the ability to help lessen the burden of energy costs for our clients and the residents of Hawaii who need it most.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 18 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention, community building and economic development programs.

Thank you for the opportunity to testify in **support of SCR 200**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.

April 9, 2019

Representative Nicole E. Lowen, Chair
Representative Tina Wildberger, Vice Chair
House Committee on Energy & Environmental Protection
Thursday, April 11, 2019
9:40 a.m.
State Capitol, Conference Room 325

RE: SCR 200, SD2 REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONSIDER REASONABLE RATEMAKING TREATMENT AND COST-EFFECTIVE SOLUTIONS TO LESSEN THE BURDEN OF ENERGY COSTS ON LOW- AND LIMITED INCOME AND SPECIAL MEDICAL NEEDS CUSTOMERS.

Dear Chair Lowen, Vice Chair Wildberger and Members of the Committee on Energy & Environmental Protection:

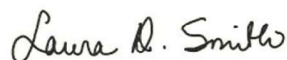
I am Laura Smith testifying on behalf of Goodwill Industries of Hawaii, Inc. Goodwill Industries of Hawaii, Inc., helps people with employment barriers to reach their full potential and become self-sufficient; we are a 501(c)(3) nonprofit that provides employment and training services to people with special needs, including those who have special medical needs.

Goodwill Industries of Hawaii, Inc., supports S.C.R. NO. 200, SD2. Our organization has been participating in the Low Income Constituent Focus Group meetings facilitated by the Hawaiian Electric Companies and we collaborate with the utility to help our mutual clients in need. The clients we serve include special medical needs customers, many who are dependent on life support equipment used in their homes and/or have increased cooling needs due to their medical conditions. The additional electricity expense on top of increasing health related costs creates a financial burden on an individual and those in the household.

This resolution will ensure that the Hawaiian Electric Companies have the ability to help lessen the burden of energy costs for our underserved clients.

Thank you for the opportunity to share our support with you.

Sincerely,



Laura D. Smith
President/CEO

DONATE STUFF. CREATE JOBS.



WWW.HIGOODWILL.ORG

SCR-200-SD-2

Submitted on: 4/9/2019 9:22:55 PM

Testimony for EEP on 4/11/2019 9:40:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Erica Scott	Individual	Support	No

Comments:

LATE

SCR-200-SD-2

Submitted on: 4/11/2019 8:16:13 AM

Testimony for EEP on 4/11/2019 9:40:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Henry Curtis	Life of the Land	Comments	Yes

Comments:

The Legislature should give some consideration to proposing to the PUC who would get the subsidy (income-wise) and who would pay the subsidy