

STAND. COM. REP. NO.

2939

Honolulu, Hawaii

FEB 27 2020

RE: S.B. No. 2655
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2655 entitled:

"A BILL FOR AN ACT RELATING TO UTILITY TRANSMISSION LINES,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt a public utility from seeking approval from the public utilities commission to place, construct, erect, or build a high-voltage electric transmission system under certain circumstances.

Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and the Public Utilities Commission.

Your Committee finds that the Public Utilities Commission (Commission) currently reviews all proposals for the construction of high-voltage transmission lines to determine whether transmission line systems should be built above ground or below ground. As part of that review, the Commission evaluates whether the benefits of undergrounding, as opposed to overhead construction, justify the total cost to the utility's ratepayers. It is often significantly more expensive to build transmission lines below ground than above ground, and when the utility is paying these costs, the burden is passed onto the ratepayers. However, if an entity other than a public utility is responsible



for the cost of undergrounding, there is no direct ratepayer burden. This measure exempts a public utility in these circumstances from seeking approval from the Commission, under certain conditions, to reduce the workload of the Commission.

Your Committee notes the concerns raised in the testimony of the Department of Commerce and Consumer Affairs that the Commission should retain some approval authority, if necessary, in the event a proposed project is not consistent with certain policies promulgated by the Commission. Additionally, if the placement of the proposed transmission infrastructure is in an area that is likely to be inundated due to sea level rise, while the initial project costs may be covered by a contribution in aid of construction, replacement costs of the projects are generally recovered from ratepayers and the Commission should require the utility to determine why the project should not consider a better alternative in such circumstances. Accordingly, amendments to this measure are necessary to address these concerns.


Your Committee has amended this measure by:

- (1) Clarifying that a public utility shall not be required to seek approval from the Public Utilities Commission if the electric transmission system is to be built underground and the entire cost due to building underground, rather than above ground, is paid by an entity as a contribution in aid of construction; and
- (2) Inserting language that allows the Public Utilities Commission sixty days to take action on a report from the public utility that describes the details and costs of the electric transmission system, after which it shall be assumed that the public utility may proceed with the project.

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 S.B. No. 2655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2655, S.D. 1, and be placed on the calendar for Third Reading.



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

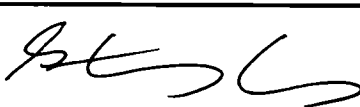


ROSALYN H. BAKER, Chair



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:	
3B 2655	CPH	2/20/20	
<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)	✓		
NISHIHARA, Clarence K.			✓
RUDERMAN, Russell E.			✓
THIELEN, Laura H.			✓
WAKAI, Glenn	✓		
FEVELLA, Kurt		✓	
TOTAL	3	1	3
Recommendation:			
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted			
Chair's or Designee's Signature:			
			
Distribution:			
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

*Only one measure per Record of Votes