



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 Public Safety, Intergovernmental, and Military Affairs
and**

Senate Committee on Commerce, Consumer Protection, and Health

Monday, February 11, 2019

9:05 a.m.

State Capitol, Conference Room 229

On the following measure:

S.B. 1293, RELATING TO A MUTUAL ASSISTANCE AGREEMENT

Chairs Nishihara and Baker and Members of the Committees:

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

The purpose of this bill is to authorize the State to enter into a mutual assistance agreement with an out-of-state utility to restore the State's electrical power, without regard to any regulatory law, during an emergency or a natural disaster.

The Department recognizes the urgency of repair whenever an emergency or a natural disaster may cause overwhelming damage to the electrical grids on which all of Hawaii depends, as well as 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 speed the resilience and restoration of utility service to customers, with which the Division is especially concerned. The exemptions from and

Testimony of DCCA

S.B. 1293

Page 2 of 2

exceptions to rules that may 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 COMMITTEES ON
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS
AND
COMMERCE, CONSUMER PROTECTION, AND HEALTH**

S.B. 1293

Relating to Mutual Assistance Agreement

Monday, February 11, 2019
9:05 am, Agenda Item #2
State Capitol, Conference Room 229

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

Chair Nishihara and Chair Baker, Vice Chair Wakai and Vice Chair Chang, and Members of the Committees,

My name is Carina Ohara and I am testifying on behalf of Hawaiian Electric Company Inc., and its subsidiaries, Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited (collectively, the “Hawaiian Electric Companies”) **in strong support** of S.B. 1293, Relating to Mutual Assistance Agreement.

S.B. 1293 will ensure that upon the occurrence of natural disaster or emergency, Hawaii’s electrical utility companies will be able to seek assistance and support from out-of-state experienced and qualified utility workers to timely and safely restore Hawaii’s critical infrastructure back to operational conditions; should our in-state resources be insufficient to meet the needs of all our customers, including residents, businesses and the federal, state, and county governments.

Hawaii’s electrical utility companies are members of Western Region Mutual Assistance Group, a group made up of public and private utilities companies across the

United States and Canada. As a member, Hawaii's electrical utility companies are able to call on other member utilities to provide their experienced and qualified utility workers to assist in restoration efforts following emergencies or disasters if such restoration efforts require resources beyond what the affected utility is able to mobilize to ensure safe and timely restoration of critical infrastructure. 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.

A recent example of assistance being provided under this mutual assistance program is Hawaiian Electric Companies mobilizing 30 of its experienced linemen to Northern California to support PG&E's restoration efforts following the Camp Fire destruction.

Hawaiian Electric Company would like to be able to seek assistance from out-of-state utilities should we ever experience widespread damage and destruction following an emergency or disaster. If we experience significant impact and devastation to our electrical infrastructure, being able to count on additional experienced and qualified utility workers to supplement our in-state resources when our in-state resources maybe insufficient will be critical to our ability to safely, expeditiously, and effectively restore operations and provide electrical services to our customers.

However, with Hawaii's regulatory and licensing requirements applicable to utility workers such as electricians' license and commercial drivers' license, out-of-state utility workers who are otherwise experienced and qualified to perform work on utility infrastructure will not be able to come to Hawaii to provide aid without violating State laws. These regulations, while necessary, will also hinder or prevent Hawaii's utility

companies from being able to safely, expeditiously, and effectively restore Hawaii's critical infrastructure following devastating disasters or emergencies by limiting the otherwise available assistance from out-of-state experienced and qualified utility workers. Should S.B. 1293 become law, upon declaration of state of emergency, the Governor will have the authority to suspend the application of these types of regulatory laws that cannot be complied with in the period of time required to mobilize out-of-state utility workers to support our restoration efforts.

Accordingly, the Hawaiian Electric Companies strongly supports S.B. 1293 and requests your favorable consideration. Thank you for this opportunity to testify.



**Testimony to the Senate Public Safety, Intergovernmental & Military Affairs and Commerce,
Consumer Protection & Health**

Monday, February 11, 2019, 9:05 a.m.
Conference Room 229, State Capitol
RE: Senate Bill 1293

Chairs Baker and Wakai, Vice Chairs Chang and Taniguchi and Members of the Committees on Commerce, Consumer Protection & Health and Energy & Economic Development & Tourism

Hawaii Gas **supports** SB 1293, **requests an amendment** and provides the following **comments to the bill**:

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.

The U.S. Department of Defense, U.S. Department of Homeland Security other federal agencies, 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, coordinated better across jurisdictions and how mutual assistance may also be used to address less-understood threats like cyberattacks or large-scale acts of terrorism.

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

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



- 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.

It appears that, unintentionally, SB 1293 limits the allowance of mutual assistance agreements to electrical energy utilities and does not include other public utilities as defined in Section 269-1, Hawaii Revised Statutes. **Hawaii Gas respectfully requests the Committees to amend the bill to include language that recognizes all public utilities as defined in HRS Section 269-1, including gas.**

Thank you for the opportunity to testify.

Sincerely,

Jeannine A. Souki
Director, Government Affairs and Corporate Communications



February 10, 2019

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

Senator Rosalyn H. Baker, Chair
Senator Stanley Chang, Vice Chair
Senate Committee on Commerce, Consumer Protection, and Health

Comments in Support of and Amendments to SB 1293, Relating to a Mutual Assistance Agreement (Authorizes the State to enter into a mutual assistance agreement with an out of state utility in order to restore electrical power of the State, without regard to any regulatory law, in times of an emergency or natural disaster.)

Monday, February 11, 2019, 9:05 a.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 the general intent of SB 1293, and to respectfully request clarifying amendments** confirming that the purpose, intent and mutual assistance agreements relating to this measure would also cover other renewable energy sources, including biogas, hydrogen, geothermal, etc.

SB 1293. The current purpose of this measure is to ensure that in times of emergencies or natural disasters that the State and **ONLY** electrical utilities in the State are allowed to enter into a mutual assistance agreement with an out of state utility to assist in the restoration of **ONLY** electrical power. **(Emphasis added)**

LURF's Position. This measure should be expanded to include ALL energy sources and utilities. In fact, the findings of SB 1293 notes that **ALL Hawaii based public utility providers** are members of the Western Region Mutual Assistance Agreement, an agreement between public electric and gas utilities throughout the continental United States and certain Canadian utilities, to make their resources available in the event of emergencies or disasters.

We believe that this measure unintentionally excluded renewable energy sources and facilities, including biomass/biogas, hydrogen, and geothermal. LURF respectfully recommends that amendments be made to include mutual assistance agreements with utilities relating to electricity and renewable energy sources, including, without limitation, biomass/biogas, hydrogen, geothermal.

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

SB-1293

Submitted on: 2/10/2019 8:52:33 AM

Testimony for PSM on 2/11/2019 9:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

SB-1293

Submitted on: 2/9/2019 7:53:24 PM

Testimony for PSM on 2/11/2019 9:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments:

Dear Chair Nishihara, Vice Chair Wakai, and Members of the Committee,

I write in support of Senate Bill 1293.

This measure is intended to provide continuity of electrical supply during the event of electrical grid failures, as caused by natural or man-made disasters. To that end, a mutual assistance agreement with out-of-state utilities makes sense.

The need for such a measure is clear, because discontinuous electrical supply can critically impact life-preserving services, such as emergency response and medical treatment. In such scenarios, the time impediment of normal regulations for an out-of-state utility in providing electricity would largely defeat the purpose of such assistance, which is the speed in restoring power supply within the state. Consequently, I am in support of this measure.

Dylan P. Armstrong