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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Consumer Protection & Commerce  
Tuesday, February 16, 2021  
2:00 p.m.  
Via Videoconference**

**On the following measure:  
H.B. 561, H.D. 1, RELATING TO ENERGY**

Chair Johanson 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 purposes of this bill are to: (1) require the Public Utilities Commission (Commission) to determine whether analysis of the effect of the State's reliance on fossil fuels is necessary for proceedings involving water, wastewater, or telecommunications providers on an individual basis; and (2) provide that the analysis is not required for an electric or a gas utility's routine system replacements or determinations that do not directly pertain to capital improvements or operations, such as financing requests.

The Department recognizes the negative impact that price volatility of fossil fuels has on consumers and the negative impact of greenhouse gas emissions from fossil fuel use on our environment. Thus, examining the impacts of fossil fuel use by utilities, including water and wastewater utilities and telecommunications providers, is

necessary, and this analysis could be extended to water carriers that the Commission regulates under Hawaii Revised Statutes chapter 271G.

In addition, the Department appreciates how subsection (c) of the bill clarifies that the Commission is not required to conduct greenhouse gas analyses in applications related to utility operations, such as financing or routine matters. The Department suggests that subsection (c) also apply to water, wastewater, telecommunications providers, and water carriers.

Thank you for the opportunity to testify on this bill.

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

TO THE  
HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE

February 16, 2021  
2:00 p.m.

Chair Johanson and Members of the Committee:

**MEASURE:** H.B. No. 561 HD1

**TITLE:** RELATING TO ENERGY.

**DESCRIPTION:** Requires the public utilities commission to determine whether analysis of the effect of the State's reliance on fossil fuels is necessary for proceedings involving water, wastewater, or telecommunications providers on an individual basis. Provides that the analysis is not required for an electric or gas utility's routine system replacements or determinations that do not directly pertain to capital improvements or operations. Effective 7/1/2050. (HD1)

**POSITION:**

The Public Utilities Commission ("Commission") supports this measure and offers the following comments for consideration.

**COMMENTS:**

The Commission is supportive of this measure's intent to provide greater clarity and flexibility to the Commission with regard to the applicability of these provisions to different industries and types of requests made by public utilities.

The changes proposed in this measure would eliminate the requirement for the Commission to conduct certain analyses when these analyses are not relevant to the decisions at hand. This would allow the Commission to utilize its resources more efficiently, without compromising the statutory intent.

H.B. No. 561 HD1  
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The Commission and Life of the Land have conferred and agreed to recommend that the Committee remove the word “directly” from Page 1, Line 15, and Page 2, Line 14 of this measure, in order to avoid unintentionally excluding indirect costs from statutory guidance.

Thank you for the opportunity to testify on this measure.



**Hawaiian  
Electric**

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

**H.B. 561, H.D.1**

**Relating to Energy**

Tuesday, February 16, 2021

2:00 pm

Kevin Katsura  
Director, Regulatory Non-Rate Proceedings  
Hawaiian Electric Company, Inc.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

My name is Kevin Katsura and I am testifying on behalf of Hawaiian Electric Company **in support** of H.B. 561, H.D.1.

Hawaiian Electric Company supports H.B. 561, H.D. 1 because it will provide clarity to the types of proceedings before the PUC that require additional procedural steps, such as extensive greenhouse gas (GHG) analyses. Subsection (c) of H.B. 561, H.D. 1 appropriately seeks to exclude from the scope of HRS § 269-6(b) “routine” system replacements or determinations that do not directly pertain to capital improvements or operations. To better clarify the meaning of “routine” in the utility industry, Hawaiian Electric suggests the following amendments (underlined) starting on page 2, line 11:

“(c) The analysis described in subsection (b) shall not be required for an electric or gas utility’s routine system replacements, such as overhauls and overhead or underground line determinations, or determinations that do not directly pertain to capital improvements or operations, such as financing requests.”

Accordingly, Hawaiian Electric supports H.B. 561, H.D.1. Thank you for this opportunity to testify.