

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

TO THE
SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

March 19, 2021
3:30 p.m.

Chair Wakai and Members of the Committee:

MEASURE: H.B. No. 561 HD2

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 a gas utility's routine system replacements or determinations that do not pertain to capital improvements or operations. Effective 7/1/2050. (HD2)

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.

Thank you for the opportunity to testify on this measure.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Energy, Economic Development, and Tourism
Friday, March 19, 2021
3:30 p.m.
Via Videoconference**

**On the following measure:
H.B. 561, H.D. 2, RELATING TO ENERGY**

Chair Wakai 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.

The Department appreciates how subsection (c) on page 2, lines 11 through 15, clarifies that the Commission is not required to conduct greenhouse gas analyses in applications related to utility operations, such as financing or routine matters. However, the Department suggests amending subsection (c) to read: “The analysis described in subsection (b) shall not be required for ~~[an electric or a gas]~~ a utility’s routine system replacements, . . .” to make clear that the exemption also applies to water, wastewater, and telecommunications providers. This would improve administrative processes for the Commission, the Department, and all utilities when dealing with routine applications that do not require an analysis under HRS section 269-6.

Thank you for the opportunity to testify on this bill.



Testimony to the Committee on Energy, Economic Development & Tourism

Friday, March 19, 2021

3:30 PM

VIA Video Conference

Conference Room 224, Hawaii State Capitol

HB 561 HD2

Chair Wakai, Vice Chair Misalucha, and members of the committee,

Hawaii Clean Power Alliance (HCPA) **supports** HB 561 HD2.

The Hawaii Clean Power Alliance is a nonprofit association organized to advance the development and sustainability of clean energy in Hawaii. Our goal is to support the state's policy goal of 100 percent renewable energy by 2045. We advocate for utility-scale renewable energy, which is critical to meeting the state's clean energy and carbon reduction goals.

HRS 269-6 was created by the legislature to mandate that "(b) *The public utilities commission shall consider the need to reduce the State's reliance on fossil fuels through energy efficiency and increased renewable energy generation in exercising its authority and duties under this chapter.*"

We suggest that amendments be inserted that further strengthens this intent:

Page 1, line 15:

15 pertaining to fossil fuel sourced electricity or gas

Page 2, lines 2-4: Technical amendments for proper syntax:

1 State's reliance on fossil fuels on (1) price volatility, (2) export of

2 funds for fuel imports, (3) fuel supply reliability risk, and

3 (4) greenhouse gas emissions. The commission may determine that

4 short-term costs or direct costs of renewable energy generation that are higher than

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Frederick Redell".

Frederick Redell, PE

Executive Director

(949) 701-8249

www.hawaiicleanpoweralliance.org





**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

H.B. 561, H.D.2
Relating to Energy
Friday, March 19, 2021
3:30 pm

Brian Hiyane
Managing Counsel
Hawaiian Electric Company, Inc.

Chair Wakai, Vice Chair Misalucha, and Members of the Committee:

My name is Brian Hiyane and I am submitting testimony on behalf of Hawaiian Electric Company **in support** of H.B. 561, H.D.2.

Hawaiian Electric Company supports H.B. 561, H.D.2 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.2 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.2. Thank you for this opportunity to testify.



Testimony to the Committee on Energy, Economic Development & Tourism

Friday, March 19, 2021

3:30 PM

VIA Video Conference

Conference Room 224, Hawaii State Capitol

HB 561 HD2

Chair Wakai, Vice Chair Misalucha, and members of the committee,

Hawaii Gas **supports** HB 561 HD2, which 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. It also 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.

We recommend that the language in HRS § 269-6 (c) be further clarified and amended as follows:

"...the analysis described in subsection (b) shall not be required for an electric or gas utility's routine system replacements, such as overhead line determinations, or determinations that do not directly pertain to capital improvements or operations, including but not limited to such as financing requests."

Thank you for the opportunity to testify.



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COMMITTEE ON ENERGY ECONOMIC DEVELOPMENT AND TOURISM
FRIDAY, 3/19/21, 3:30 PM, Room No. 224

HB561 HD2 RELATING TO ENERGY
Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Wakai, Vice-Chair Misalucha and Committee Members:

The League of Women Voters of Hawaii opposes this bill, which 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 a gas utility's routine system replacements or determinations that do not pertain to capital improvements or operations.

The League of Women Voters opposes this measure because it does not require standards for the PUC to apply in determining whether to analyze the effect of a proposed water, wastewater or telecommunications project on State reliance on fossil fuels. "Necessary" is a vague and undefined concept, which could allow for overly broad exemptions from such analyses.

We also believe that exempting electric or gas utility's "determinations" is not tightly enough defined: perhaps a dollar amount needed to implement the determination, or the length of time during which that determination would be effective, would appropriately restrict this provision.

Thank you for the opportunity to submit testimony.

HB-561-HD-2

Submitted on: 3/17/2021 2:25:38 PM

Testimony for EET on 3/19/2021 3:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members,

Please support HB561.

Thank you,

Andrea Quinn