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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection & Commerce
Tuesday, February 17, 2021
2:00 p.m.
Via Videoconference**

**On the following measure:
H.B. 592, H.D. 1, RELATING TO UTILITIES**

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 appreciates the intent of this bill and offers comments.

The purposes of this bill are to require the Public Utilities Commission (Commission) to: (1) explore, through its docket process, solutions to the problems posed by siting of above-ground electrical infrastructure in high-risk areas; and (2) submit a report to the Legislature prior to the regular session of 2022.

The Department appreciates how H.D. 1 recognizes non-wires alternatives as an alternative to above-ground infrastructure. However, the Department has concerns that the requested deliverables to the Legislature still presuppose that a plan should be made without evaluating whether the costs are acceptable. Further, even if the Commission finds that a non-wires alternative is feasible and should be considered, the Commission will be required to develop a plan that places underground facilities. Accordingly, the Department offers the following comments for consideration:

- Placing electric transmission and distribution lines above or below ground poses certain advantages and disadvantages. Underground facilities are more resilient to certain events, such as high winds and damage from vehicles. Underground facilities are far more expensive to install and require more time and costs to restore service.
- Placing facilities overhead is less costly than placing facilities underground. Lifetime maintenance expenses for overhead facilities are less than comparable underground facilities. Overhead facilities are more susceptible to certain events such as high winds, lightning strikes, and damage from vehicles. It is generally faster to restore services provided by overhead facilities than by underground facilities.
- The Commission has initiatives to explore non-wires alternatives whenever transmission or distribution capital projects are needed. These initiatives may result in greater resilience and could decrease the amount of overhead and underground facilities that may be necessary.
- It is technically feasible to place most transmission and distribution in underground facilities, but whether the overall costs (installation and lifetime maintenance) of underground facilities can and should be borne by customers should be carefully evaluated.
- If this measure intends to replace existing overhead facilities with underground facilities, customer bill costs will increase and a remaining question is the magnitude of the increase.
- If this bill requires the Commission to conduct a proceeding to investigate the proposed replacement of overhead facilities in high-risk areas, the Department respectfully suggests that the Commission's initial report to the Legislature discuss the overall costs that will be incurred and the potential rate and bill impact that Maui customers will face, rather than the proposed plans and timelines to place the overhead facilities in underground facilities. This information could be used to evaluate whether the projected costs are acceptable.

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 17, 2021
2:00 p.m.

Chair Johanson and Members of the Committee:

MEASURE: H.B. No. 592 HD1

TITLE: RELATING TO UTILITIES

DESCRIPTION: Requires the public utilities commission to explore, through its docket process, solutions to the problems posed by siting of above-ground electrical infrastructure in high-risk areas. Requires the public utilities commission to submit a report to the legislature prior to the regular session of 2022. Effective 7/1/2050. (HD1)

POSITION:

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

COMMENTS:

The Commission appreciates this measure’s intent to investigate solutions to the problems posed by siting of above-ground electrical infrastructure in high-risk areas. The Commission has requested detailed reports from Maui Electric Company on recent experiences with its transmission system in high-risk areas. The Commission is willing to formally investigate this issue through its docket process and report its findings to the Legislature.

The Commission appreciates the amendments made in the previous committee to expand the possible set of solutions to be explored by the study. The Commission is willing to implement this measure’s provisions if it is enacted.

Thank you for the opportunity to testify on this measure.