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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Protection
Wednesday, March 17, 2021
9:30 a.m.
Via Videoconference**

**On the following measure:
H.B. 78, H.D. 1, RELATING TO THE UNDERGROUND CONSTRUCTION
OF HIGH-VOLTAGE ELECTRIC TRANSMISSION LINES**

Chair Baker 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 purpose of this bill is to eliminate the requirement for a public utility to seek approval from the Public Utilities Commission (Commission) for the underground construction of high-voltage electric transmission lines if certain conditions are met.

The Department supports reducing the workload of the Commission and the Department for electric transmission projects that may be uncontroversial and that are subject to the conditions set forth in this bill. The Department also appreciates the clarity that H.D. 1 provides regarding the regulatory treatment of costs covered by an entity other than the public utility.

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
SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

March 17, 2021
9:30 a.m.

Chair Baker and Members of the Committee:

MEASURE: H.B. No. 78 HD1

TITLE: RELATING TO THE UNDERGROUND CONSTRUCTION OF HIGH-VOLTAGE ELECTRIC TRANSMISSION LINES.

DESCRIPTION: Eliminates the requirement for a public utility to seek approval from the public utilities commission for the underground construction of high-voltage electric transmission lines if certain conditions are met. Effective 7/1/2050. (HD1)

POSITION:

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

COMMENTS:

The Commission supports the intent of this measure to streamline the regulatory process while maintaining appropriate oversight of public utility operations and investments. The Commission currently reviews all proposals for the construction of high-voltage transmission lines, in order to determine whether transmission line systems should be built above 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, noting that it is often significantly more expensive to build transmission lines below ground than above ground. When the utility is paying these costs, the burden is passed onto ratepayers.

The Commission notes that the changes proposed in this bill would only exempt public utilities from the requirement to obtain Commission approval of constructing underground

high-voltage transmission line systems when the cost of undergrounding is paid for by “an entity other than the public utility.” Under the current statutory language, public utilities must obtain approval for constructing underground transmission systems even when an agency, developer, or other third party is responsible for the cost of undergrounding.

However, if an entity other than a public utility is responsible for the cost of undergrounding, there is no direct ratepayer burden to weigh against the benefits of undergrounding. Under the current statutory language, a public utility is still required to obtain Commission review and approval in such a case.

The Commission views this measure as an effort to make the approval process for underground transmission line systems more efficient when there is no additional cost to ratepayers.

Thank you for the opportunity to testify on this measure.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION**

H.B.78 HD.1

**Relating to the Underground Construction
Of High-Voltage Electric Transmission
Lines**

March 17, 2021
9:30AM, Agenda Item 5
State Capitol, Conference Room 229

Dave Okamura
Director, Engineering
Hawaiian Electric Company

Dear Chair Baker, Vice Chair Chang, and Members of the Committee,

My name is Dave Okamura and I am testifying on behalf of Hawaiian Electric Company (Hawaiian Electric) **in support** of H.B. 78 HD 1, Relating to the Underground Construction of High-Voltage Electrical Transmission Lines.

Hawaiian Electric supports the intent of this bill which is to streamline the regulatory process while maintaining appropriate oversight by the Public Utilities Commission. This bill proposes that in cases where the entire cost to underground a new 46,000 volt or greater electric transmission line is paid for by an entity other than the public utility, a report will be submitted in lieu of an application to the Public Utilities Commission requesting formal approval. This will save the Public Utilities Commission and the Department of Commerce and Consumer Affairs time and resources and still provide necessary cost safeguards for Hawaiian Electric customers.

Accordingly, the Hawaiian Electric Company supports H.B. 78 HD1. Thank you for the opportunity to testify.

HB-78-HD-1

Submitted on: 3/12/2021 3:27:35 PM

Testimony for CPN on 3/17/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch, Sr.	Individual	Support	No

Comments:

I support HB78.