

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

TO THE  
SENATE COMMITTEE ON  
HOUSING

February 4, 2021  
1:00 p.m.

Chair Chang and Members of the Committee:

**MEASURE:** S.B. No. 870

**TITLE:** RELATING TO AFFORDABLE HOUSING.

**DESCRIPTION:** Establishes that whenever the infrastructure or equipment for electric utility service is required to be installed underground for affordable housing within an area that has been designated by a county as a transit-oriented development area, it shall be the responsibility of the electric utility company to install the infrastructure or equipment.

**POSITION:**

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

**COMMENTS:**

The Commission notes that there is an existing tariff (see HECO Companies’ Rule 2) that outlines the process for determining which party shall be responsible for paying for new or upgraded electrical infrastructure for new developments. The process is intended to ensure that the party requesting a service extension or electrical upgrade pays for the costs of this construction. Otherwise, those costs would be paid for by all other customers.

The Commission appreciates the bill’s intent to support the construction of affordable housing. The Commission notes that while requiring utilities to pay for transmission line undergrounding may reduce affordable housing construction costs, these utility costs will be passed through to all customers. This could partially offset the affordability benefits of this measure.

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Thank you for the opportunity to testify on this measure.



**Hawaiian  
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
HOUSING**

**S.B. 870**

**Relating to Affordable Housing**

February 4, 2021  
1:00PM, Agenda Item #4

Dave Okamura  
Director, Engineering  
Hawaiian Electric Company

Chair Chang, Vice Chair Kanuha, and Members of the Committee,

My name is Dave Okamura and I am testifying on behalf of Hawaiian Electric Company (Hawaiian Electric) **in opposition** to S.B. 870, Relating to Affordable Housing.

S.B. 870 proposes to require Hawaiian Electric to pay 100% of the costs to install underground electric utility facilities for affordable housing within areas designated as Transit Oriented Development (TOD). Based on past experience, the cost of undergrounding electric lines is at least 4 to 5 times that of comparable overhead construction. Hawaiian Electric's current tariff rules require customers requesting and benefitting from the underground system to contribute funds to cover the cost beyond an overhead system. This bill would require electric ratepayers island-wide to bear the extra cost of underground facilities for the benefit of a few. It also would take limited capital investment funds and resources away from improving grid reliability and resiliency for a greater number of customers.

Accordingly, Hawaiian Electric opposes S.B. 870. Thank you for the opportunity to testify.



February 2, 2021  
Senate Committee on Housing  
Thursday, February 4, 2021  
Conference Room 225, 1:00 p.m.

## **SB870 – SUPPORT**

Aloha Committee Chair Chang, Vice-Chair Kanuha and Members;

I am submitting testimony in my capacity as Executive Director of Hawaii Habitat for Humanity Association (HHFHA), a nonprofit community development financial institution and State Support Organization for the direct service Habitat for Humanity organizations across the state to **SUPPORT SB870.**

HHFHA appreciates the Legislature's efforts in promoting affordable housing in transit-oriented development areas. SB870 bill would require that whenever the infrastructure or equipment for electric utility service is required to be installed underground for affordable housing within an area that has been designated by a county as a transit-oriented development area, installation of the infrastructure or equipment shall be the responsibility of the electric utility company.

Due to Hawaii's high cost of living and its continual rise, HHFHA supports the bills intent in promoting more affordable housing opportunities to its residents while decreasing other cost burdens such as transportation. Research shows that TOD's can be effective models for incorporating affordable housing. According to the Center for Transit Oriented Development, nationally, transportation is second only to housing as a household cost, with the average family spending approximately 19% on transportation. More importantly, extremely low-income households can spend over 50% of their family income on transportation and often depend on unreliable automobiles – a liability to their work commutes. Many low-income families have needed to move to more rural locations because of lower housing costs, but any gains they make are quickly erased or exceeded by transportation costs. Accessible use to public transportation results in lowered transportation costs, increasing the overall affordability of a place of residence. TOD's must be an essential component of a comprehensive affordable housing strategy in Hawaii.

SB870 not only incentives affordable housing developments in TOD areas, but it also addresses a major development cost to affordable housing. Addressing the infrastructure costs allows for affordable housing developers to pass down savings to its residents. As well, it enables developers to require less funding for developments, stretching out finite subsidies, that will allow for more affordable housing production overall in the state.



We understand the concerns that these infrastructure costs could be passed down to customers of the electric utility company - including low income families which could offset affordability benefits, and burden families outside of TOD areas. We hope that the utility companies can take this burden into consideration for all affordable housing units, which benefits the community as a whole. We believe the promotion of affordable housing throughout the state will benefit everyone.

Help us do our part to provide affordable housing for Hawaii's people. Please **PASS SB870**.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.847.7676 or [jean@hawaiihabitat.org](mailto:jean@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Jean Lilley".

Jean Lilley  
Executive Director