

STAND. COM. REP. NO. **2756**

Honolulu, Hawaii

FEB 29 2024

RE: S.B. No. 3285
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3285 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Public Utilities Commission to solicit competitive offers from an entity operating under a non-investor-owned utilities ownership model before approving the sale of a public utility, in whole or in part, to a private entity.

Your Committee received testimony in support of this measure from Climate Protectors Hawaii.

Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, and Hawaiian Electric.

Your Committee finds that the difference in management goals between investor- and non-investor-owned utilities can have significant effects on ratepayers and the public at large. Your Committee fully recognizes that investor-owned utilities can effectively serve Hawaii residents and this measure simply requires that, in the event of a sale of all or part of a public utility to a private entity, all possible ownership models be



considered, which includes non-investor-owned utility ownership models.

Your Committee has amended this measure by:

- (1) Requiring the public utility being offered for sale, rather than the Public Utilities Commission, to demonstrate that it first solicited competitive offers from an entity operating under a non-investor-owned utilities ownership model, and note whether or not non-investor-owned entities submitted acceptable bids, in any application to the Public Utilities Commission requesting authorization of the sale of the public utility;
- (2) Inserting an effective date of July 1, 2040, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3285, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,




JERETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 3285	Committee Referral: CPN	Date: 2/20/24
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
KEOHOKALOLE, Jarrett (C)	✓	
FUKUNAGA, Carol (VC)	✓	
MCKELVEY, Angus L.K.	✓	
RICHARDS, III, Herbert M. "Tim"	✓	
AWA, Brenton	✓	
TOTAL	5	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes