



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
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DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Ways and Means
And
Senate Committee on Judiciary
Thursday, March 28, 2024
9:45 a.m.
Conference Room 211

On the following measure:
H.B. 2700, H.D. 3, S.D. 1, RELATING TO WILDFIRES

WRITTEN TESTIMONY ONLY

Chair Dela Cruz, Chair Rhoads, and Members of the Committees:

My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to: (1) establish the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State; (2) create a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission (Commission) for approval; (3) allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county; and (4) declare that the general fund expenditure ceiling is exceeded and appropriate funds.

The Maui wildfire resulted in tragic losses of life, personal injuries, and property damage. The pain of that tragedy will be felt for generations. We must take decisive action to eliminate the possibility of such tragic outcomes from recurring by focusing on mitigating the risks from natural hazards.

Part I of this bill (Sections 1-6) proposes establishing a fund that the State, electric utilities, public utilities that contribute to the risk of occurrence or severity of a catastrophic wildfire, other government entities, and private landowners may participate in. The money within the fund would then potentially cover future claims related to property damage arising out of a future catastrophic wildfire.

The Department appreciates that the bill seeks to address the stability of the State's public utilities. However, the Department has significant concerns with ratepayers contributing to a fund where their contributions would cover costs that are not used and useful in utility operations. The Department greatly appreciates the amendments made by the prior committees which provided language that would, among other things, prevent utility ratepayers from having to shoulder the burden of paying costs to cover property claims arising from future catastrophic wildfires. Specifically, versions HD1 through HD3 of this bill prohibited a participating public utility from recovering contributions from their ratepayers under proposed § -8(k). This was changed in the current draft SD1, which allows the Commission to set a cap on how much of the utility's contributions can be recovered through rates. The Department recommends restoring the HD3 version of § -8(k).

The Department also notes amendments that, in effect, allow non-investor owned utilities, such as member-owned cooperatives, to participate in the proposed program. The Department believes that those amendments are needed to provide non-investor-owned utilities the option to participate in the fund if they chose to do so. Non-investor-owned utilities may suffer damages from or possibly contribute to the cause of a catastrophic wildfire. The Department appreciates the adoption of our recommendation to amend the proposed § -8(d)(3) to require different contribution amounts from the investor-owned and non-investor-owned utilities that account for differences in revenues and assets between the different ownership models.

The new Part II of the bill (Sections 7-13) appears to contain the contents of Senate Bill No. 3096, along with the securitization financing terms subsequently recommended by the Office of the Attorney General for those bills, in Section 8. The Department strongly supports encouraging electric utilities to proactively manage their wildfire risk by requiring that they develop and regularly update their wildfire protection plans. The Department appreciates that the bill incentivizes electric utilities to continuously act prudently to mitigate their wildfire risk by not including language in the bill that establishes an assumption of prudence simply because the electric utility has an approved wildfire risk protection plan in place. The Department strongly supports the consideration for equity that is included in the bill by requiring that the surcharge for the wildfire protection fee be non-bypassable.

The Department also appreciates that amendments to decision-making procedures in the proposed § 269-B and § 269-C, which the Department previously proposed for Senate Bill No. 3096, and which were incorporated in that bill by the Senate Public Safety and Intergovernmental and Military Affairs Committee, are incorporated here. These amendments to decision-making procedures are very valuable for due process and stakeholder participation.

However, the Department also includes recommended amendments to securitization terms in the proposed § 269-E and § 269-G for ratepayer protections:

"PART . WILDFIRE PROTECTION AND MITIGATION

* * * * *

§269-D Applications to issue bonds and authorize wildfire protection charges. (a) An electric utility may apply to the commission for one or more financing orders to issue bonds to recover any wildfire protection costs, each of which authorizes the following:

(1) The imposition, charging, and collection of a wildfire protection charge, to become effective upon the issuance of the bonds, and an adjustment of any such wildfire protection charge in accordance with a true-up adjustment mechanism under this part in amounts sufficient to pay the principal of and interest on the bonds and all other associated financing costs on a timely basis;

(2) The creation of wildfire protection property under the financing order; and

(3) The imposition, charging, and collection of fixed recovery tax amounts to recover any portion of the public utility's federal and state taxes associated with those wildfire protection charges and not financed from the proceeds of bonds.

(b) The application shall include all of the following:

(1) The wildfire protection costs to be financed through the issuance of bonds;

(2) The principal amount of the bonds proposed to be issued;

(3) An estimate of the date each series of bonds is expected to be issued;

(4) The scheduled final payment date, not to exceed thirty years, and a legal final maturity date, which may be longer, subject to rating agency and market

considerations, during which term the wildfire protection charge associated with the issuance of each series of bonds is expected to be imposed and collected;

(5) An estimate of the financing costs associated with the issuance of each series of bonds (of the related financing costs, in no case should those cost be allowed to be recovered from ratepayers);

* * * * *

(d) In exercising its duties under this section, the commission shall consider:

(1) Whether the wildfire protection costs to be financed by any bonds to be issued are just and reasonable;

(2) Whether the costs are consistent with the public interest;

(3) Whether the structuring, marketing, and pricing of the bonds are expected to result in the lowest wildfire protection charges consistent with market conditions at the time the bonds are priced and the terms of the financing order;

(4) Whether the terms and conditions of any bonds to be issued are just and reasonable;~~and~~

(5) Whether the issuance of the bonds would be beneficial, including by avoiding or significantly mitigating abrupt and significant increases in rates to consumers for the applicable time period in the absence of the bonds~~;~~ and

(6) Whether approval of any bonds lowers the public utility's overall enterprise risk, and so its return on equity should be lowered accordingly.

* * * * *

§269-G Security interests in wildfire protection property; financing statements.

* * * * *

(e) If default occurs under the security agreement covering the wildfire protection property, the pledgees of the wildfire protection property, subject to the terms of the security agreement, shall have all rights and remedies of a secured party upon default under chapter 490, article 9, and shall be entitled to foreclose or otherwise enforce their security interest in the wildfire protection property, subject to the rights of any third-parties holding prior security interests in the wildfire protection property perfected in the manner provided in this section. In addition, the commission may require in the financing order creating the wildfire protection property that, in the event of default by the electric utility in payment of wildfire protection property revenues, the commission and any successor thereto, upon the application by the pledgees or transferees, including assignees of the wildfire protection property, under section 269-H, and without limiting any other remedies available to the pledgees or assignees by reason of the default, shall order the sequestration and payment to the pledgees or assignees of wildfire protection property revenues. Any order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor of the wildfire protection property. Any surplus in excess of:

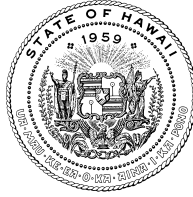
(1) Amounts necessary to pay principal, premiums, if any, interest, costs, and arrearages on the bonds, and associated financing costs arising under the security agreement; or

(2) In the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding,

shall be remitted to ~~the debtor or to the pledgor or transferor~~ ratepayers."

The Department also emphasize that it is important to develop plans and take actions to prevent wildfires together with mitigating the risks from other hazards like high winds and flooding.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committees on Ways and Means and Judiciary
Thursday, March 28, 2024
9:45 a.m.
State Capitol, Conference Room 211 and Videoconference

With Comments
House Bill No. 2700, HD3, SD1, Relating to Wildfires

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Members of the Senate Committees on Ways and Means and Judiciary:

The Office of the Governor offers the following comments on H.B. No. 2700, HD3, SD1, Relating to Wildfires.

H.B. No. 2700, HD3, SD1 establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and would appropriate funding.

The Maui wildfire resulted in unbearable loss of lives, homes, infrastructure, and businesses. This tragic event is a wake-up call that due to climate changes, the risk of catastrophic wildfires, along with other natural disasters in Hawaii has increased.

The bill proposes to establish a fund that the state, the electric utility, telecom companies and private landowners may contribute to a relief fund that would then potentially cover future claims arising out of a catastrophic future wildfire. While the Office of the Governor sees this proposal as one of a few important pieces of legislation that needs to be explored as our state figures out how to stabilize our electric utility and our energy future, we are concerned about some of the broad provisions establishing future protections.

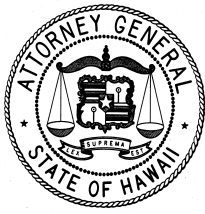
More recently, Hawaiian Electric Company has shared some proposed requested amendments that fill in some of the blanks in the bill. These figures were significant and raise some questions as to whether the state can continue not opposing the bill. However, we are evaluating the viability of the state's share in the proposed amendments, but also analyzing the total numbers and the contributions by various stakeholders to determine if that will be sufficient to create a viable fund for such unknown, but potentially catastrophic damages.

While the Office of the Governor remains open to the original purposes of creating such a fund, these details coming to light through the proposed amendments are quite concerning. As such we still cannot support the proposed amendments. However, we do not oppose this

Testimony of Office of the Governor
H.B. No. 2700, HD3, SD1
March 28, 2024
Page 2

bill moving forward so that we may continue our discussions with the electric utility and other key affected stakeholders.

Thank you very much for the opportunity to provide testimony on this measure.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

H.B. NO. 2700, H.D. 3, S.D. 1, RELATING TO WILDFIRES.

BEFORE THE:

SENATE COMMITTEES ON WAYS AND MEANS AND ON JUDICIARY

DATE: Thursday, March 28, 2024 **TIME:** 9:45 a.m.

LOCATION: State Capitol, Room 211 and Videoconference

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Andrew I. Kim,
Deputy Attorney General, at 808-586-1180)

Chairs Dela Cruz and Rhoads and Members of the Committees:

The Department of the Attorney General provides the following concerns.

Part II of S.D. 1 of this bill (beginning on page 53, line 15) includes as section 8 (beginning on page 56, line 1) the provisions of section 2 of H.B. No. 2407, H.D. 2, which proposes to amend chapter 269, Hawaii Revised Statutes, to add a new part, titled "Wildfire Protection and Mitigation". The Senate Committee on Commerce and Consumer Protection explained that the new Part II of S.D. 1 of this bill could "potentially be used to fund the Hawaii Wildfire Relief Fund Corporation and Wildfire Relief Fund[.]" Senate Stand. Com. Rep. No. 3349.

The original purpose of this bill is to establish the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Part II, on the other hand, establishes a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission (PUC) for approval. The plan includes proposed wildfire mitigation measures. If the plan is approved by the PUC, the utility would then be authorized to charge higher utility rates that are then used to securitize the issuance of bonds to pay for the mitigation measures.

Part II does not provide a means to fund the Hawaii Wildfire Relief Fund Corporation and Wildfire Relief Fund. Under Part II, an electric utility may apply to the

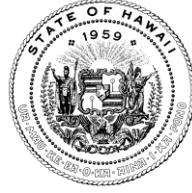
PUC for one or more financing orders to issue bonds to recover wildfire protection costs (page 77, lines 12-14); however, the definition of "wildfire protection costs" (page 62, line 15, through page 63, line 13) specifically excludes the payment of any legal claims (page 62, lines 19-21). Because the fund's purpose is to pay wildfire claims by property owners and insurers, Part II may be a non-germane amendment to the original bill.

In League of Women Voters of Honolulu v. State, 150 Hawai'i 182, 205, 499 P.3d 382, 405 (2021), the Hawai'i Supreme Court held that the constitutional requirement that a bill must pass three readings in each house "begin[s] anew after a non-germane amendment changes the object or subject of a bill so that it is no longer related to the original bill as introduced." As Part II does not appear to be related to the original purpose of the bill, there is a risk that a court would conclude that these amendments are outside the scope of the purpose of the original bill and that the amended bill will violate article III, section 15, of the Hawai'i Constitution if it does not receive three additional readings in each house.

In addition, because the original purpose of this bill was to provide compensation for property damage resulting from wildfires, and under Part II, "[t]he electric utility shall design the risk-based wildfire protection plan to protect public safety, reduce risk to electric utility customers, and promote resilience of the Hawaii electric system to wildfire damage" (page 66, lines 7-10), a court may conclude that Part II goes beyond this purpose.

To minimize the risk of a constitutional challenge to the bill, the Department recommends that three additional readings in each house of the Legislature be scheduled if Part II is included in the final draft.

Thank you for the opportunity to testify.



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Part I of this bill (Sections 1-6) proposes establishing a fund that the State, electric utilities, public utilities that contribute to the risk of occurrence or severity of a catastrophic wildfire, other government entities, and private landowners may participate in. The money within the fund would then potentially cover future claims related to property damage arising out of a future catastrophic wildfire.

The Department appreciates that the bill seeks to address the stability of the State's public utilities. However, the Department has significant concerns with ratepayers contributing to a fund where their contributions would cover costs that are not used and useful in utility operations. The Department greatly appreciates the amendments made by the prior committees which provided language that would, among other things, prevent utility ratepayers from having to shoulder the burden of paying costs to cover property claims arising from future catastrophic wildfires. Specifically, versions HD1 through HD3 of this bill prohibited a participating public utility from recovering contributions from their ratepayers under proposed § -8(k). This was changed in the current draft SD1, which allows the Commission to set a cap on how much of the utility's contributions can be recovered through rates. The Department recommends restoring the HD3 version of § -8(k).

The Department also notes amendments that, in effect, allow non-investor owned utilities, such as member-owned cooperatives, to participate in the proposed program. The Department believes that those amendments are needed to provide non-investor-owned utilities the option to participate in the fund if they chose to do so. Non-investor-owned utilities may suffer damages from or possibly contribute to the cause of a catastrophic wildfire. The Department appreciates the adoption of our recommendation to amend the proposed § -8(d)(3) to require different contribution amounts from the investor-owned and non-investor-owned utilities that account for differences in revenues and assets between the different ownership models.

The new Part II of the bill (Sections 7-13) appears to contain the contents of Senate Bill No. 3096, along with the securitization financing terms subsequently recommended by the Office of the Attorney General for those bills, in Section 8. The Department strongly supports encouraging electric utilities to proactively manage their wildfire risk by requiring that they develop and regularly update their wildfire protection plans. The Department appreciates that the bill incentivizes electric utilities to continuously act prudently to mitigate their wildfire risk by not including language in the bill that establishes an assumption of prudence simply because the electric utility has an approved wildfire risk protection plan in place. The Department strongly supports the consideration for equity that is included in the bill by requiring that the surcharge for the wildfire protection fee be non-bypassable.

The Department also appreciates that amendments to decision-making procedures in the proposed § 269-B and § 269-C, which the Department previously proposed for Senate Bill No. 3096, and which were incorporated in that bill by the Senate Public Safety and Intergovernmental and Military Affairs Committee, are incorporated here. These amendments to decision-making procedures are very valuable for due process and stakeholder participation.

However, the Department also includes recommended amendments to securitization terms in the proposed § 269-E and § 269-G for ratepayer protections:

"PART . WILDFIRE PROTECTION AND MITIGATION

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§269-D Applications to issue bonds and authorize wildfire protection charges. (a) An electric utility may apply to the commission for one or more financing orders to issue bonds to recover any wildfire protection costs, each of which authorizes the following:

(1) The imposition, charging, and collection of a wildfire protection charge, to become effective upon the issuance of the bonds, and an adjustment of any such wildfire protection charge in accordance with a true-up adjustment mechanism under this part in amounts sufficient to pay the principal of and interest on the bonds and all other associated financing costs on a timely basis;

(2) The creation of wildfire protection property under the financing order; and

(3) The imposition, charging, and collection of fixed recovery tax amounts to recover any portion of the public utility's federal and state taxes associated with those wildfire protection charges and not financed from the proceeds of bonds.

(b) The application shall include all of the following:

(1) The wildfire protection costs to be financed through the issuance of bonds;

(2) The principal amount of the bonds proposed to be issued;

(3) An estimate of the date each series of bonds is expected to be issued;

(4) The scheduled final payment date, not to exceed thirty years, and a legal final maturity date, which may be longer, subject to rating agency and market

considerations, during which term the wildfire protection charge associated with the issuance of each series of bonds is expected to be imposed and collected;

(5) An estimate of the financing costs associated with the issuance of each series of bonds (of the related financing costs, in no case should those cost be allowed to be recovered from ratepayers);

* * * * *

(d) In exercising its duties under this section, the commission shall consider:

(1) Whether the wildfire protection costs to be financed by any bonds to be issued are just and reasonable;

(2) Whether the costs are consistent with the public interest;

(3) Whether the structuring, marketing, and pricing of the bonds are expected to result in the lowest wildfire protection charges consistent with market conditions at the time the bonds are priced and the terms of the financing order;

(4) Whether the terms and conditions of any bonds to be issued are just and reasonable;~~and~~

(5) Whether the issuance of the bonds would be beneficial, including by avoiding or significantly mitigating abrupt and significant increases in rates to consumers for the applicable time period in the absence of the bonds~~;~~ and

(6) Whether approval of any bonds lowers the public utility's overall enterprise risk, and so its return on equity should be lowered accordingly.

* * * * *

§269-G Security interests in wildfire protection property; financing statements.

* * * * *

(e) If default occurs under the security agreement covering the wildfire protection property, the pledgees of the wildfire protection property, subject to the terms of the security agreement, shall have all rights and remedies of a secured party upon default under chapter 490, article 9, and shall be entitled to foreclose or otherwise enforce their security interest in the wildfire protection property, subject to the rights of any third-parties holding prior security interests in the wildfire protection property perfected in the manner provided in this section. In addition, the commission may require in the financing order creating the wildfire protection property that, in the event of default by the electric utility in payment of wildfire protection property revenues, the commission and any successor thereto, upon the application by the pledgees or transferees, including assignees of the wildfire protection property, under section 269-H, and without limiting any other remedies available to the pledgees or assignees by reason of the default, shall order the sequestration and payment to the pledgees or assignees of wildfire protection property revenues. Any order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor of the wildfire protection property. Any surplus in excess of:

(1) Amounts necessary to pay principal, premiums, if any, interest, costs, and arrearages on the bonds, and associated financing costs arising under the security agreement; or

(2) In the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding,

shall be remitted to ~~the debtor or to the pledgor or transferor~~ ratepayers."

The Department also emphasize that it is important to develop plans and take actions to prevent wildfires together with mitigating the risks from other hazards like high winds and flooding.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEES ON
WAYS AND MEANS
and
JUDICIARY

March 28, 2024
9:45 a.m.

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Members of the Committees:

MEASURE: H.B. No. 2700, H.D. 3, S.D 1

TITLE: RELATING TO WILDFIRES.

DESCRIPTION: Establishes the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds. Effective 7/1/3000. (SD1)

POSITION:

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

COMMENTS:

The Commission appreciates the intent of this measure to mitigate the effects of a catastrophic wildfire in Hawaii by establishing a wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in Hawaii, and by creating a process for electric utilities to develop and submit wildfire protection plans to the Commission and allow the recovery of related costs and expenses through securitization while avoiding a disproportionate impact on specific ratepayers or counties. The Commission understands the

importance of reducing the likelihood and impact of wildfires across the State and is committed to supporting such efforts.

On March 19, 2024, the Commission offered testimony on this measure before the Senate Committee on Commerce and Consumer Protection (“CPN”) and appreciates the work done by that Committee to advance this measure. One notable amendment made by CPN was to amend this measure to include a new Part to develop a potential alternative financing mechanism to securitization that could be used to fund the Hawaii Wildfire Fund Corporation and Wildfire Relief Fund.

While the new part inserted by CPN does authorize some form of securitization, it is not immediately clear that any initial or supplemental contributions made by an electric utility to the Wildfire Relief Fund may be recoverable via the securitization authorized by this measure. Under the current definition of “wildfire protection costs”, an electric utility’s ability to recover the cost of its initial or supplemental contributions to the Wildfire Relief Fund via securitization appears contingent on the inclusion of those contributions in its wildfire protection plan. Should those contributions not be included in the electric utility’s wildfire protection plan, the electric utility would not be able to utilize the securitization authorized in this measure to recover the cost of those initial and supplemental contributions to the Wildfire Relief Fund. If the Legislature’s intention is to expressly provide for the authorization of the recovery of those initial and supplemental contributions by an electric utility to the Wildfire Relief Fund via securitization, as suggested by CPN’s Committee Report, then the Commission recommends amending the definition of “wildfire protection costs” such that it includes the initial, annual, and supplemental contributions by an electric utility to the Wildfire Relief Fund.

The Commission also notes that while this measure does distinguish between investor-owned utilities and non-investor owned utilities when determining the initial contribution amounts by electric utilities into the Wildfire Relief Fund to capitalize the Wildfire Relief Fund, the measure does not specify whether it is the Administrator of the Wildfire Relief Fund, the Commission, or some other entity that must determine what those different contribution amounts between investor-owned utilities and non-investor owned utilities are. The Commission therefore recommends specifying that the administrator shall make that determination.

Furthermore, the Commission observes that it is hard to determine whether the limitations on reimbursement provided in section - 9 (e) are appropriate without first understanding the relative contributions to capitalization by different entities, and notes that not all public utilities have transmission and distribution assets.

Additionally, the Commission questions whether assessing “only acts that may have caused the ignition”, is appropriate, or whether it may also be appropriate to assess whether a public utility contributed to the extent of a wildfire as well.

Additionally, given the pressing urgency of reducing the reducing the likelihood and impact of wildfires in Hawaii, the Commission understands the desire for a quick decision by the Commission on any applications seeking approval for a wildfire protection plan, or any application for a financing order to recover the costs associated with the development, implementation, and administration of a wildfire protection plan. Nevertheless, this need for a quick decision must be balanced with the equally important needs to develop a sound docket record and to protect the procedural rights of any parties and participants in the docket. This measure contemplates the Commission having to determine the reasonability of many extremely complicated and technical matters related to a wildfire protection plan or securitization. Imposing strict time requirements on any Commission decision may impair the development of a sound docket record, the proper evaluation of that docket record, and the issuance of a Commission decision that serves the public interest. As such, the Commission offers that amending this measure to require a Commission decision within ninety days of the last party filing in the docket would better balance the many considerations at play here, as it would not only allow the Commission to develop a sound docket record but also require quick action by the Commission once that docket record is properly developed.

The Commission notes its concern about limiting liability and recommends an amendment to ensure utilities are continuously monitoring and improving wildfire protection practices.

Finally, the Commission observes a minor inconsistency that may be amended to ensure that wildfire protection costs may be recovered via securitization as a wildfire protection charge separate from rates.

Consistent with the comments above, the Commission offers the following amendments.

On Page 63, Line 3 through Page 64, Line 2:

"Wildfire protection costs" may also include any of the following:

(1) Catastrophic wildfire costs or expenses, other than amounts, for the avoidance of doubt, payable in connection with any legal claims made in any way related to any wildfire, that the commission has determined were prudently incurred, including but not limited to costs or expenses that have been paid that the electric utility has a legal

obligation to pay or that the electric utility would be otherwise obligated to pay;

(2) Federal and state taxes associated with recovery of the amounts pursuant to paragraph (1);

(3) Financing costs; ~~and~~

(4) Professional fees, consultant fees, redemption premiums, tender premiums, and other costs incurred by the electric utility in using proceeds of bonds to acquire outstanding securities of the electric utility, as authorized by the commission in a financing order; and

(5) Initial, annual, or supplemental contributions to the Wildfire Relief Fund, as authorized by the commission in a financing order.

On Page 17, Line 15 -19:

(3) From electric utilities, \$; provided that ~~there shall be the~~ administrator shall determine different contribution amounts required by investor-owned utilities and non-investor owned utilities, taking into account the differences in revenues and assets between the ownership models;

On Page 24, Line 18 through Page 25, line 6:

(1) The costs that the public utilities commission determines were due to the public utility's imprudence; or

(2) Twenty per cent of the public utility's transmission and distribution equity rate base minus the amounts the public utility has reimbursed, or is required to reimburse, the fund during the period of three consecutive calendar years ending on December 31 of the year in which the calculation is being performed, or if no transmission and distribution equity rate base, ten per cent of the public utility's assets within Hawaii measured over a rolling three-year period.

On Page 22, Line 19 through Page 23, Line 2:

(b) The public utilities commission shall evaluate the prudence of the conduct of the public utility in connection with a catastrophic

wildfire. The public utilities commission shall determine whether the public utility acted prudently, considering only acts that may have caused the ignition or contributed to the severity and evaluating the public utility's actions in the context of the public utility's overall systems, processes, and programs, such that an error by a public utility employee would not be a basis for a finding of imprudence, unless that error resulted from any imprudent system, process, or program.

On Page 72, Line 14 through Page 73, Line 9:

(3) Not more than ninety days after the last party filing, ~~and not more than a total of one hundred twenty days after the initial application for approval of the submitted risk-based wildfire protection plan or update in the docketed proceeding,~~ the commission shall approve, approve with conditions, or reject the plan or update based on whether the commission finds that the plan or update is based on reasonable and prudent practices and designed to meet all applicable rules and standards adopted by the commission. The commission may, in approving the plan or update with conditions, direct the electric utility to make modifications to the plan or updates that the commission believes represent a reasonable balancing of migration costs with the resulting reduction of wildfire risk based on the evidentiary record in the proceeding. The commission shall issue a decision explaining its determination, including findings of fact and conclusions of law, in accordance with chapter 91.

On Page 80, Lines 14 -17:

(d) The commission shall issue an approval or denial of any application for a financing order filed pursuant to this section within ~~one hundred twenty~~ ninety days of the last party filing ~~of the application in the applicable docket.~~

Finally, the Commission notes that there appears to be typological error that authorizes the Commission to allow an electric utility to recover from ratepayers any actual costs associated with the development, implementation, and administration of a wildfire protection plan in excess of those costs previously authorized by the Commission when the Commission finds those

additional costs to be “unreasonable” rather than “reasonable”. The Commission offers the following amendment to correct this error.

On Page 74, Lines 3 -10:

If the actual costs are equal to or greater than the amounts that the commission determined were reasonable in its decision under subsection (e), the commission shall not direct the electric utility to refund to ratepayers the amount the commission previously determined was reasonable and shall limit its review to any additional costs, which it shall allow the electric utility to recover from ratepayers if the commission find the additional costs are ~~un~~reasonable.

On Page 76, Line 1 through Page 77, Line 10:

(j) Unless an electric utility acts in a manner that constitutes willful misconduct, bad faith, or reckless disregard of its obligations, in each case, in compliance with its obligations under a financing order and any applicable wildfire protection plan, no electric utility shall be civilly liable for the death of or injury to persons, or property damage, as a result of:

- (1) Any act taken in accordance with a plan or updated plan approved by the commission under this part; or
- (2) Any failure to take an action proposed by an electric utility in a plan or updated plan and thereafter removed from the plan by modification of the commission.

(k) There shall be no liability on the part of, and no cause of action of any nature shall arise against, the commission or its agents and employees, the State, the commission commissioners, or the commissioners' representatives for the death of or injury to persons, or property damage, for any action taken by such in the performance of their powers and duties under this part.

~~(1) Any determination by the commission that the electric utility materially failed to comply with an approved plan or part of an approved plan, and any imposition of a civil penalty, shall be inadmissible in any lawsuit or other action against the electric utility seeking compensation for the alleged death of or injury to persons, or property damage. In any action seeking to hold an electric~~

~~utility civilly liable for the death of or injury to persons, or property damage, no inference of liability may be drawn solely based on a failure by the electric utility to adhere to the requirements of an approved plan.~~

(1) The commission's approval of a risk-based wildfire protection plan does not by itself establish a defense to any enforcement action for violation of a commission rule or order, or relieve an electric utility from proactively managing wildfire risk, including by monitoring emerging practices and technologies. Electric utilities are expected to continuously improve and take reasonable actions outside of approved plans to mitigate wildfire risk.

On Page 75, Lines 1 - 4:

(i) In its decision pursuant to subsection (e), the commission shall determine the reasonable costs to develop, implement, and administer the plan and shall authorize the electric utility to recover the costs in rates or via a wildfire protection charge.

Thank you for the opportunity to testify on this measure.

Clearway Energy Group
100 California St, Suite 650
San Francisco, CA 94111



March 26, 2024

Via Electronic Submittal

Committee on Ways and Means
Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair

Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Thursday, March 28, 2024, 9:45 a.m.
Conference Room 211 & Videoconference

RE: HB 2700 HD3 SD1 – Relating to Wildfires – Support the Intent

Aloha Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard and members of the Committees:

Clearway Energy Group (“Clearway”) supports the intent of HB 2700 HD3 SD1, which creates a fund to address future wildfire costs.

Clearway is one of the largest suppliers of renewable energy to Hawaiian Electric and its customers. Clearway owns and operates four solar energy projects on Oahu, two of which are solar-only projects that came online in 2019 (5 years into 22-year Power Purchase Agreements (PPAs)), and two of which are solar plus battery storage projects, Mililani I Solar and Waiawa Solar, which came online in July 2022 and January 2023, respectively (one year into 20-year PPAs). Clearway has three additional projects under development that were recently awarded in Hawaiian Electric’s Stage 3 Renewable RFP. Our projects provide clean, reliable power to Hawaiian Electric’s customers at a fixed price and at a lower cost than electricity from fossil fuel sources.

In supporting the intent of HB 2700 HD3 SD1, Clearway wishes to underscore the importance of a financially stable utility in keeping Hawai’i on track to meet its clean energy and grid reliability goals. Independent power producers such as Clearway enter into PPAs with the utility based on the strength of the utility’s credit and confidence that

it will honor its contractual obligations to pay for the power produced. These renewable power plants operate under supply contracts with Hawaiian Electric for decades, and the financial viability of the plants depends on the long-term financial viability of our customer. In the case of Clearway's operating plants, a stable long-term revenue stream goes to fund the long-term debt that financed the upfront capital costs on equipment and labor to construct the projects.

In this current environment of uncertainty, it is critically important to Clearway that our existing contracts are protected and that there is no interruption in Hawaiian Electric's purchases of power from our facilities. Additionally, for investors to have confidence investing in new renewable energy projects developed in Hawai'i, the utility will need to be viewed by the investment community as financially stable and capable of providing sufficient credit support. Until that point, it will be difficult for new, large-scale clean energy projects to move forward.

Hawai'i has an urgent need for new electric generation and storage resources to stabilize the grid and keep the State on track toward its clean energy goals. We encourage the Legislature to adopt measures that create a constructive path forward for Hawaiian Electric.

Thank you for the opportunity to testify on this matter.

Nicola Park
Director, Hawaii
Clearway Energy Group



Email: communications@ulupono.com

SENATE COMMITTEES ON WAYS & MEANS AND JUDICIARY
Thursday, March 28, 2024 — 9:45 a.m.

Ulupono Initiative supports the intent and offers comments on HB 2700 HD3 SD1, Relating to Wildfires.

Dear Chair Dela Cruz, Chair Rhoads, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono supports the intent and offers comments on HB 2700 HD3 SD1, which establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. This bill also creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county.

Hawai'i's unique communities and ecosystems are increasingly threatened by the devastating impacts of wildfires. In recent years, we have witnessed a rise in the frequency and intensity of wildfires, exacerbated by climate change, land and water management practices, and urban encroachment into fire-prone areas. The culmination of these forces resulted in the devastating and heartbreaking destruction seen on Maui last year.

Undisputed are the importance and urgency of preparing for increased risks from wildfires and ensuring that loss and damage caused by wildfires are addressed. This bill also rightly identifies the critical need for public utilities to have access to capital in order to invest in wildfire risk mitigation and disaster relief. By enabling the securitization of rates, this bill offers a potential path to raise the necessary funds, thereby protecting both the utilities' financial stability and the interests of ratepayers from escalating costs due to higher interest rates on borrowing.

This bill reflects an uncomfortable set of circumstances and a difficult decision for lawmakers. The pressing need (and community expectation) is that significant investments be made towards wildfire mitigation and recovery, at a moment when the largest electric utility is facing unprecedented financial constraints. These unfortunate circumstances have led to the need for creative financing alternatives to accelerate priority investments.

Investing in a Sustainable Hawai'i



While many may view such a bill as a benefit to existing electric utilities, it is important to note that any business would struggle to make significant investments while facing limited access to the capital markets. Higher interest rates and other unfavorable lending terms would otherwise only end up increasing energy rates for customers.ⁱ In addition, due to the financing structure of renewable energy projects, an electric utility that suffers from a lower credit rating may also be less likely to leverage their balance sheet to support important utility-scale renewable energy projects, undermining Hawai'i's ongoing shift towards achieving a completely renewable energy future.

Ulupono recognizes the multifaceted challenges facing the electric utilities, including the need to address ongoing potential wildfire liability while aggressively pursuing the state's policy goals of increasing clean energy, improving grid reliability and resiliency, and reducing costs for customers. As such, a measure such as this can help establish a financial instrument to enable much needed wildfire mitigation investments that the community demands be made. This is not a perfect solution—there are tradeoffs to be sure—but, on the whole, Ulupono considers this a net positive for the state.

While this bill's objectives are clear and necessary, it is essential to ensure that the mechanisms for rate securitization are transparent and include robust safeguards to prevent undue financial burdens on ratepayers. Ulupono applauds the amended provisions requiring regular audits and reporting to maintain accountability and transparency in how the raised funds are utilized towards wildfire mitigation and recovery efforts, and we recommend that such reporting be open and available to the public, as applicable. Ulupono also applauds the provision requiring that the utility develop and seek approval from the Public Utilities Commission for a wildfire protection plan, but we reiterate that such a wildfire mitigation plan should be developed in a docketed process that is open to community and stakeholder engagement. Ulupono considers community engagement a crucial component of the decision-making process, particularly when it comes to investments that support community health and safety—even more so when the investments will ultimately be at the ratepayer's/community's expense.

SB 2700 represents a small step towards managing the financial implications of natural disasters on public utilities and their customers. Ulupono supports the bill's intent and encourages the inclusion of additional safeguards to ensure transparency, accountability, and the protection of ratepayers' interests.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

ⁱ As stated by the Hawaiian Electric Companies in its Jan. 31, 2024, filing with the Public Utilities Commission, "Maui Electric is aware of 100 complaints related to the August 2023 Maui wildfires that assert claims against Maui Electric. One complaint is pending in the First Circuit Court in O'ahu, 19 complaints are pending in the Second Circuit Court in Maui County, and 80 complaints are pending in the U.S. District Court for the District of Hawai'i." (See Non-Docketed Case No. 2023-04643 Maui Electric Monthly Wildfire-Related Litigation Report January 2024. <https://shareus11.springcm.com/Public/DownloadNative/25256/e52ef351-84c0-ee11-b83e-48df377ef808/0b5fa85f-a9c0-ee11-b83e-48df377ef808>) The potential liability associated with these lawsuits are the main driver of Hawaiian Electric's credit downgrade.



Testimony Before the Senate Committees on Ways and Means and
Judiciary

By David Bissell
President and Chief Executive Officer
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Thursday, March 28, 2024; 9:45 am
Conference Room #211 & Videoconference

House Bill No. 2700 HD3 SD1 - RELATING WILDFIRES

To the Honorable Chairs Donovan M. Dela Cruz and Karl Rhoads, Vice Chairs Sharon Y. Moriwaki and Mike Gabbard, and Members of the Committees:

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC opposes this measure as written and proposes amendments.

KIUC shares the legislature's concern regarding the risks posed by catastrophic wildfires and the potential impact to the health, safety and financial security of residents and businesses throughout the state. KIUC agrees that it is in the best interest of the state for electric utilities to develop and implement wildfire mitigation plans, to minimize the impact of potential litigation following catastrophic events, and ensure residents have access to compensation for property damage resulting from wildfires.

The establishment of a Wildfire Relief Fund could have significant financial impacts, both positive and negative, on residents, businesses, utilities, government agencies and other stakeholders. KIUC believes the needs and circumstances of each of these stakeholders is diverse and should be considered prior to acting on this legislation. Without access to background on studies or other information used to develop this complex proposal, and in light of proposed funding levels offered by Hawaiian Electric (HECO), we have serious concerns about the bill's potential negative impact to KIUC and our members/ratepayers.

The preamble to HB 2700 states that the measure is designed in part to "attract capital on reasonable terms—capital that is vital for making investments in wildfire prevention." While this is undoubtedly a consideration for an investor-owned utility such as HECO, a cooperative such as KIUC does not bear anywhere near the same amount of investment risk. Because KIUC has no shareholders and is therefore considered to be part of the public power universe of electric utilities, KIUC would have access to funding assistance from the Federal Emergency Management Agency (FEMA) in the event of a wildfire, and it is likely that FEMA would cover 75% of KIUC's rebuild costs following a major catastrophic event.

Additionally, as a cooperative, KIUC has access to low-cost capital through the U.S.D.A. Rural Utilities Service (RUS), which would likely be a lower interest rate source of debt capital than even AAA-rated securitized bonds. If RUS debt is unavailable, KIUC would seek capital from one of our cooperative lenders, such as the National Rural Utilities Cooperative Finance Corporation or CoBank.

KIUC has concerns that, as a utility representing just 5% of the state's population, the costs associated with establishing and maintaining the fund could have a disproportionate financial impact on our members without a commensurate benefit. **KIUC appreciates amendments to this bill that require different contribution amounts by investor-owned and non-investor-owned utilities, however, we further request that participation from cooperative utilities be made optional so that costs and benefits of participation can be considered.**

In §269-C Wildfire protection plans, we appreciate that the bill allows an electric utility to recover plan development, implementation and administration costs in rates. The PUC is responsible for authorizing timely and prompt recovery of the wildfire protection costs. Investor-owned utilities have a mechanism for cost recovery through interim rate increases outside of a general rate case filing. Cooperatives do not have such a mechanism currently, and KIUC is concerned that the only recovery mechanism for a cooperative could be through a general rate case filing. A rate case is an expensive and time-consuming endeavor which could create additional unnecessary costs and delays to wildfire plan development and implementation. **KIUC would prefer for cooperatives to have the specific option to recover costs via a discrete tariff rider.** Toward that end, we request the following amendment to §269-C (i):

(i) In its decision pursuant to subsection (e), the commission shall determine the reasonable costs to develop, implement, and administer the plan and shall authorize the electric utility to recover the costs in rates. The commission shall establish a method to authorize timely and prompt recovery of the wildfire protection costs. For a non-investor owned electric utility, recovery will be via a dedicated, discrete tariff rider. The commission shall establish rules for the electric utility to track actual wildfire protection costs and for the commission to authorize, as applicable, refunds or credits to ratepayers where actual wildfire protection costs are ultimately less than those the commission determined reasonable and authorized for [~~rate~~] recovery; provided that any such refund or credit to consumers shall not affect, alter, or impair the value of the wildfire protection property, wildfire protection charges, or any bonds secured by wildfire protection property. To the degree actual wildfire protection costs exceed those the commission determined were reasonable and authorized for [~~rate~~] recovery, the commission shall authorize cost recovery in the event that it determines those additional wildfire protection costs are just and reasonable. The method established may include the issuance of bonds under section 269-D.

In summary, we ask that you fully evaluate the costs and potential benefits of this bill. Thank you for your consideration.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Hawai‘i Wildfire Relief Fund and Corporation; Public Utilities Commission; Catastrophic Wildfire

BILL NUMBER: HB 2700 HD 3 SD 1

INTRODUCED BY: Senate Committee on Commerce and Consumer Protection

EXECUTIVE SUMMARY: Establishes the Hawai‘i wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county.

SYNOPSIS: Amends the HRS by adding a new chapter. The new chapter would establish the Wildfire Relief Fund and an associated quasi-government Wildfire Relief Fund Corporation. The entity is charged with administering a voluntary program for wildfire victims to apply for a payment from the fund in exchange for releasing from liability the entities that had contributed to the fund.

Adds a new part to Chapter 269, HRS, to allow, subject to Public Utility Commission approval, financing mechanisms that could potentially be used to fund the Wildfire Relief Fund.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: Our comments are limited to the Wildfire Relief Fund and are contained in our publication of November 30, 2023, entitled “The Lahaina Recovery Fund,” reprinted below.

The Lahaina Recovery Fund

One of the more innovative items announced by the Governor’s office when it comes to disaster relief measures is the creation of a Lahaina Recovery Fund.

In a press release announcing the measure, the Governor’s Office said that the concept was similar to the 9/11 Fund created in the aftermath of the destruction of the World Trade Center. The idea is that the government, Hawaiian Electric, Kamehameha Schools, and others who might be facing lawsuits would pay into the fund. Claimants who want a distribution from the fund agree not to sue the fund contributors.

It was a controversial enough plan that the Star-Advertiser conducted an informal “Big Q” online poll to see if its readers thought the fund was a good idea. (As of this writing, supporters were a little more than twice the number of detractors.)

Typical of the opposition was this post on X: “So in other words, what our state government deems is the value of your loss is all you will receive because you sign your rights away to sue for more?!? DON’T DO IT #LAHAINA!”

In a previous column, we urged the government to create this type of fund. The primary advantages are (1) claimants get money in months, not years; (2) claimants typically won’t have to contend with attorneys’ fees, which could otherwise be a huge amount like a third of the recovery; and (3) people can get on with their lives instead of worrying about discovery, depositions, trial, and possible appeals.

The fund being proposed has a voluntary participation element, like many class actions. If someone thinks that they can get a better result by suing, they are certainly free to do so. And even for folks who sue, it’s tough to get past the idea that the payment will “be a payment of the State’s choosing.” After all, if there is a settlement of any kind (90% of litigated court cases are settled), the government will have to sign off on the payment because it would be a defendant in the litigation.

Those who want to be purists about it would need to settle in for the long haul. Take-no-prisoners litigation would need at least a couple of years to get to trial. Many more years could be added to that if appeals follow. Those purists will be waiting a long time for their money.

So, how much is each participant going to get if they opt into the fund? The exact amount isn’t known at this point. This is because negotiations are still ongoing with the potential defendants who would be putting money into the fund, and folks don’t yet have a clear idea of how many people would be participating. This is not unusual even for mass tort litigation and other class actions. The Governor says that the amount per participant will be north of \$1 million. Obviously, this is not a case where the government is trying to get people to sign off for a pittance like 20 bucks in some preloaded gift card. This is serious money and should be considered by the claimants seriously.

People who are thinking about being a possible claimant of the fund need to thoughtfully consider the dollar amount, whether the claimant could do better if he or she filed a lawsuit, and the cost of that lawsuit. Attorneys don’t come cheap, and a “contingency fee” where the attorney is paid only if there is a recovery may cost a third (or more) of the total recovery. Add to that the uncertainty of when, or if, litigation recovery will be paid. The recovery fund, in contrast, will be ready to pay out in months, not years.

Maui claimants can be the adults in the room. They can and should make their own choices about their own future. There is no one-size-fits-all approach to a Lahaina claim. We congratulate the Governor’s office for putting this option on the table.



INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

JOINT SENATE COMMITTEE ON WAYS AND MEANS AND JUDICIARY

HEARING DATE: Thursday, March 28, 2024
TIME: 9:45 a.m.
PLACE: State Capitol
Conference Room 211

RE: Testimony in **Support** of House Bill 2700 HD3 SD1

Aloha Honorable Chair(s) Dela Cruz and Rhoads, Vice Chair(s) Moriwaki and Gabbard, and Members of the Joint-Committee;

The International Brotherhood of Electrical Workers Local 1260 (IBEW 1260) would like to respectfully offer the following testimony **in Support** of House Bill 2700 HD3 SD1.

IBEW 1260 is comprised of approximately 3,000 members representing Hawaii's electric utility companies as well as Government Service Contracts throughout Hawaii, Guam, and Wake Island. Our members are a diverse local workforce of dedicated, highly skilled, and trained individuals working 24 hours a day, 7 days a week, to generate, transmit, and distribute electricity throughout Hawai'i and to ensure the reliability of this precious resource.

IBEW 1260 supports House Bill 2700 HD3 SD1 which establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State, and creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and to allow the recovery of related costs and expenses through securitization, while avoiding disproportionate impact on a specific ratepayer or county.

The electric utility and infrastructure that stretch across Hawai'i is vital to our community, to our members and their families. As a local company with roots dating back over 132 years, HECO has been a generous corporate and philanthropic partner and contributor to our community, while providing thousands of sustainable careers to many of Hawai'i's local residents, like members of IBEW 1260, allowing them and their families to remain in Hawai'i.

We understand this issue is very complex, and we support ongoing discussions on this measure between the legislature, Hawaiian Electric, and other stakeholders, to ensure that all who are affected by future catastrophic events, specifically electric utilities, have the tools needed to recover and maintain stable and reliable service to the community.

Mahalo for the opportunity to testify on this important matter.



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

March 28, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS
SENATE COMMITTEE ON JUDICIARY

TESTIMONY ON HB 2700, HD3, SD1
RELATING TO WILDFIRES

Conference Room 211 & Videoconference
9:45 AM

Aloha Chairs Dela Cruz and Rhoads, Vice-Chair Moriwaki and Gabbard, and Members of the Committees:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 2700, HD3, SD1, which establishes the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county.

This bill would create a future wildfire relief fund for potential victims and provide Hawai'i families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass HB 2700 HD3 SD1. Thank you for this opportunity to provide comments on this measure.



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
MARCH 28, 2024
HB 2700 HD3 SD1 RELATING TO WILDFIRES.**

Good morning, Chair Dela Cruz, Chair Rhoads, and members of the Senate Committee on Ways and Means and the Senate Committee on Judiciary. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We support the intent of HB 2700 HD3 SD1. This measure establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State; creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county; declares that the general fund expenditure ceiling is exceeded; appropriates funds; and is effective 7/1/3000.

The recent Maui Wildfires have deeply impacted not only retailers, but the community as a whole. This measure is a crucial step towards addressing the need for the safety, well-being, and resilience of our state in the face of future catastrophic wildfires.

The devastation wrought by the recent wildfires on families, businesses, and our entire community serves as a stark reminder of the urgent need for proactive measures. While we fervently hope that such disasters never recur, it is imperative that we prepare for all eventualities.

It is our understanding that the establishment of a dedicated Wildfire Relief Fund is a critical component in the preparedness efforts. This fund will serve as a lifeline for potential victims, ensuring that resources are readily available for their recovery and rehabilitation in the aftermath of a wildfire. By providing a streamlined process for recovering property damage, irrespective of the cause of the wildfire, the fund will offer much-needed support and assistance to affected Hawaii families.

Moreover, the Wildfire Relief Fund could be a pivotal role in reducing the financial uncertainty and mitigating the economic repercussions of future wildfires by proactively addressing the risk of wildfires and providing a mechanism for recovery,

This measure is a step in the right direction towards fostering resilience, preparedness, and community cohesion in the face of natural disasters.

Mahalo for this opportunity to testify.

March 27, 2024

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Senate Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Thursday March 28, 2024, 9:45 a.m.
Conference Rm. 211 and via Videoconference

RE: HB 2700 – Relating to Wildfires

Dear Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and members of the Committee:

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, Ewa Beach, Nanakuli, Waianae and Makaha. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce **supports the intent of HB 2700** which establishes the Hawaii wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Appropriates funds.

The devastation of the Maui wildfires has touched all of us and while we hope that nothing like that happens again anywhere in our State, we must be vigilant and be prepared in the case that it does. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. The impact on the infrastructure is a reality that is very real. Having a funding mechanism that will help protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund is a solution we must seek now.

There are portions of West O'ahu that are specifically vulnerable to devastating wildfire in a very similar manor that West Maui was.

Thank you for this opportunity to provide testimony.

Respectfully,

Kiran Polk
Executive Director



Working together for Kapolei

March 27, 2024

Via Electronic Submittal

Committee on Ways and Means
Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair

Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Thursday, March 28, 2024, 9:45 a.m.
Conference Room 211 & Videoconference

RE: HB 2700 HD3 SD1 – Relating to Wildfires – Support the Intent

Aloha, Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and members of the Committees:

Plus Power supports the intent of HB 2700 HD3 SD1 to establish a fund to address future wildfire costs.

Plus Power is a leading developer-owner-operator of standalone battery energy storage systems, with a facility serving Hawaiian Electric and its customers. On December 18, 2023, Plus Power brought online the 185 MW / 565 MWh Kapolei Energy Storage project in West Oahu, with a 20-year Energy Storage Power Purchase Agreement through December 2043. The facility represents approximately 17 percent of the Oahu peak load, and it supports Hawaiian Electric to perform system balancing of the Oahu grid. In doing so, the facility enables the utility to integrate higher penetrations of renewable energy toward the state's goal of 100% clean energy. Finally, the facility offers grid services to Hawaiian Electric, akin to those of a conventional power plant, to support power reliability. Moreover, Hawaiian Electric modeling shows that the project does so with ratepayer savings.

Plus Power supports the intent of HB 2700 HD3 SD1 with the interest of maintaining a financially stable utility partner for our private investors through the life of our 20-year contract. We, our investors, and other developers depend on stable, long-term revenue streams to build and operate our projects. It is of the utmost importance to our company and investors that our contract with Hawaiian Electric is honored with no interruption to Hawaiian Electric's payment

for the facility's services. Moreover, the financial viability of Hawaiian Electric signals to developers whether to further invest in Hawai'i.

We applaud the state's leadership on climate and clean energy that can teach the nation how to succeed on these goals with ratepayer savings. We encourage the Legislature to adopt this measure.

Thank you for the opportunity to testify on this matter.

Sincerely, _____

A handwritten signature in cursive script, appearing to read "Polly Shaw".

Polly Shaw
Chief External Relations Officer



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEES ON
WAYS & MEANS
AND
JUDICIARY**

**HB 2700, HD3, SD1
Relating to Wildfires**

Written Testimony Only

Thursday, March 28
9:45 AM
State Capitol, Conference Room 211

Jason Benn
Senior Vice President Chief Information Officer
Hawaiian Electric

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and
Members of the Committees,

My name is Jason Benn, Senior Vice President & Chief Information Officer for
Hawaiian Electric and I am testifying **in strong support of HB 2700, HD3, SD1
Relating to Wildfires with amendments per the attached redline.** HB 2700, HD3,
SD1, now includes two substantive parts: Part I creates a wildfire relief fund, and Part II
creates a process for a utility to submit a wildfire mitigation plan for approval to the
public utilities commission; and a process for the commission to approve securitizations
of reasonable and prudent wildfire costs and expenses. For ease of reference, I have
divided my testimony in two parts.

Part I

As noted, I am testifying in strong support of Part I with amendments, which creates a wildfire relief fund. I am also requesting important amendments to Part I (attached redline) to fill in remaining blanks in the bill, including its numbers, to respond to stakeholder concerns, and to address important remaining substantive issues. These amendments also harmonize HB 2700, HD3, SD1 with its companion bill, SB 3344, SD2, HD1.

HB 2700, HD3, SD1 would create a statewide wildfire relief fund to compensate property owners, insurers, and government entities for property damage resulting from future catastrophic wildfires, regardless of who or what caused them. As we so painfully learned on August 8, 2023, the impacts of climate change, combined with the changing uses of land in Hawaii, are creating a whole-of-society problem. HB 2700, HD3, SD1 is part of that whole-of-society solution.

This measure – and the other measures Hawaiian Electric has proposed – does not contemplate a financial bailout for the company related to the Maui wildfires. It is forward-looking, about working to prevent something terrible like this from ever happening again and to provide additional financial protection for everyone in the unlikely event of a future catastrophic wildfire. This legislation will also help strengthen the financial standing of Hawaiian Electric, enabling it to continue serving the energy needs of Hawaii as it has done since 1891.

In the attached redline to HB 2700, HD3, SD1, we are proposing amendments that fall into three categories:

First, they add provisions that have already been accepted in the HD1 version of SB 3344, which include:

- Clarifying the timing of the Fund to enable it to be operational by February 14, 2025. We have proposed amendments—including defining the Fund’s “Operation Date” and specifying what must occur as of that Operation Date—to accomplish this goal. The Fund will begin to cover catastrophic wildfires that occur on or after its Operation Date, so these amendments are important to create a path for the Fund to reach that point as soon as reasonably possible.
- Adding a provision that the State may contribute the vast majority of its contribution to the fund through a contingent guarantee that goes into effect only if, at some point in the future, a catastrophic wildfire exhausts other money in the fund.
- Clarifying various provisions in response to feedback from stakeholders, including State Farm Insurance.

Second, our amendments include a provision in SB 3344, SD2, HD1, which we do not feel is necessary, but believe is important to convey to this committee for its consideration since it adopted such language previously in the SD2 version of SB 3344:

- SB 3344, SD2, HD1 in Section -7(g) includes language creating a requirement that any electric company that has been sued relating to the August 8 fires submit a plan to the PUC in advance of participating in the Fund. We believe that such a requirement to submit a plan before participating in the fund is unnecessary given HB 2700, HD3, SD1s requirement that the utility submit a wildfire risk mitigation plan to the PUC, and that this separate plan requirement is unrelated to the purpose of the wildfire relief fund. Moreover, a delay in the operation of the Wildfire Relief Fund does not help in reducing fire risk and could hurt Hawaii. Nevertheless, should this committee choose to adopt a similar requirement, we would suggest using the same language from SB 3344, SD2, HD1.
- We also note that SB 3344, SD2 HD1 creates a Part II section that includes language creating a working group to study the wildfire relief fund in its first year. We have not included this language in our proposed amendments to HB 2700, HD3, SD1 as we believe that it is important for the wildfire relief fund to reach its operation date as soon as possible. However, should this committee choose to create a working group, we would suggest using the same language from SB 3344, SD2, HD1. If you incorporate the working group language, we would also suggest changing the operation date to February 14, 2026—to provide the working group time to report back to the Legislature.

Third, our amendments add new or edited provisions that we are proposing to both SB 3344, SD2, HD1 and HB 2700, HD3, SD1:

- We are proposing an amendment to the provision addressing the utility contribution. (§ 8(j).) HB 2700, HD3, SD1, currently states: “The public utilities commission shall determine a cap on the percentage of a public utility's contributions to the fund, including initial and supplemental contributions, that may be recovered from its customers in rates, unless the commission directs otherwise pursuant section -9.” While we find that language favorable, we are proposing an amendment to further clarify that these contributions may be recovered through either a securitization or directly from customers in rates—provided in each case that there is a cap on increasing rates.
- After discussions with the Hawaii Association of Justice (“HAJ”), we are proposing inclusion of a new provision that provides additional protection to property owners and property insurers in the event of a depletion event. (§ 16(g).) The purpose of this provision is to ensure that property owners and insurers are made whole in the case of a depletion event, while also ensuring that such an event does not provide a windfall greater than what the fund otherwise promises its beneficiaries. In previous testimony HAJ has proposed other language regarding depletion (which was adopted into SB 3344, SD2, HD1). We hope that our alternative language is acceptable to HAJ.
- Our proposed provision works as follows: if there is a depletion event (that is, an event where the fund can only offer a percentage of what it would otherwise provide property owners or insurers) a property owner or insurer has two choices. They may reject that depletion payment and no longer be subject to the limitation on bringing claims (this is already in the current version). Or, in our new language, they may accept the depletion payment and also receive a promise from the fund to pay them the difference (the “true-up payment”) within three years. If the fund fails to pay make that true-up payment, then the property owner or insurer may choose to sue, subject to a damages cap of three times the true-up payment.
- HAJ’s provision, adopted into SB 3344, SD2, HD1 is different and, in our view, falls short in accomplishing a fair outcome.
 - Under HAJ’s provision, when there is a depletion event, a property owner or property insurer may *both* accept the depletion payment and immediately sue—without limitation. The depletion payment received would act as a credit, but only in proportion to a contributor’s contribution to the fund—meaning a property owner or insurer could recover *more* than their total damages. Even then, the provision contemplates that the fund would also pay the property owner or insurer the remaining balance that the fund would have

paid but for a depletion event—even if that beneficiary already sued for damages.

- This provision goes further than making property owners or insurers whole. In contrast, our proposed provision protects property owners and insurers by providing that, if the fund fails to give them the full payment they are owed, they may sue for three times what the fund failed to pay. That damages limitation accounts for the time that passes and the need to pay a lawyer—but does not turn a depletion event into a windfall opportunity that hurts the financial stability the fund is designed to provide contributors. Of course, a property owner or insurer may still reject the depletion payment and sue without limitation.

Overall, the Fund not only provides compensation to property owners and insurers; it also helps the State and individuals avoid the costs and burdens of litigation, as well as the financial instability that can result from litigation due to catastrophic wildfires. The State has a strong interest in avoiding that outcome. Electric utilities, for example, invest hundreds of millions of dollars every year in our State to help achieve its energy policy objectives. These include renewable energy, decarbonization, resilience and the availability of safe, reliable, and secure service to our customers, including other critical infrastructure providers, such as hospitals and the Department of Defense.

Furthermore, the scope of a catastrophic wildfire is the result of a number of factors, including climate change and land management practices, that are not the fault of any single entity. The Fund equitably shares the burden of these factors that can lead to a catastrophic wildfire, promoting the public's interest in ensuring that our critical infrastructure providers, including electric utilities, remain able to raise the capital needed to invest in our State.

In order to continue to be able to make these large upfront investments, the utility must eliminate the financial uncertainty of future wildfire risks and regain access to capital. We believe this bill and investments Hawaiian Electric and others will make to mitigate wildfire risk, will help do so.

In summary, HB 2700, HD3, SD1 provides a low-cost and rapid process to compensate property owners and insurance companies and avoids the uncertainty of litigation that can financially destabilize utilities, large landowners, and government entities. Solving the impacts of climate change on our State must be addressed collectively and collaboratively.

Part II

As noted, Part II of this bill creates a process for submitting a wildfire risk mitigation plan for approval to the public utilities commission; and a process for the commission to approve securitizations of reasonable and prudent wildfire costs and expenses. Hawaiian Electric is in strong support of Part II, subject to important amendments (attached in redline). These amendments in each case reflect edits that have already been adopted in the companion bill, SB 2922, SD2, HD2, or which we intend to propose.

For the wildfire mitigation plan section of the bill, the edits primarily edit the list of requirements for wildfire protection plans set forth at § 269-C. The public utilities commission has explained that this additional detail was intended to support expeditious development and review of plans. For SB 2922, SD2, HD2, we suggested edits to clarify certain ambiguities in these requirements, which were accepted into that bill. We

propose to HB 2700, HD3, SD1 the same language already adopted in SB 2922, SD2, HD2.

These edits—and others—serve to improve the ultimate function of the wildfire mitigation plan provisions: to create a public process for adopting robust, cost-effective wildfire protection plans according to codified standards; to ensure that electric utilities have the resources necessary to implement those plans; and to prevent civil litigants from undermining the public utilities commission's ability to make decisions vital to preventing wildfires in Hawaii.

For the securitization section of the bill, our proposed amendments in the attached redline reflect input from the Attorney General's office that align the bill's language in with SB 2922, SD2, HD2. In concert with the Attorney General, we have worked to make SB 2922, SD2, HD2 a technically effective bill that will satisfy the expectations of the market for utility bonds; the requirements of rating agencies; and the rules of the IRS for favorable tax treatment. We have also proposed additional edits in the attached redline that we intend to suggest to SB 2922, SD2, HD2 to further this goal.

I wanted to highlight two such edits, each of which reflects language that is already in SB 2922, SD2, HD2. First, we have proposed an edit that all catastrophic wildfire securitizations authorized by the public utilities commission cannot, in the aggregate, result in more than a five percent increase in the average residential customer bill. This provision allows for a more flexible securitization bill that still provides protection to consumers.

Second, our proposed amendments edit the definition of catastrophic wildfire costs to match the definition in SB 2922, SD2, HD2, which provides the public utilities commission more flexibility to use securitization to pay for prudent and reasonable costs—subject, in all cases, to the five percent cap. This would include the ability for the public utilities commission to consider securitization being used for legal claims related to wildfires.

On behalf of the 2,600 employees, 5,200 retirees and the generations of Hawaiian Electric employees who have faithfully served our community for 132 years, mahalo for allowing me to testify in strong support of this important bill. Please pass HB 2700, HD3, SD1, with our suggested amendments.

A BILL FOR AN ACT

RELATING TO WILDFIRES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I

SECTION 1. The legislature finds that as the risk of catastrophic wildfires in Hawaii has increased, so has the threat of property damage from these fires. Although most property owners have insurance, some do not, and others have insurance that may not fully cover their losses.

The legislature further finds that when the cause of a wildfire is uncertain or contested, costly and protracted litigation ensues. Litigation regarding wildfire damages can impose massive costs, including on the State, counties, utilities, landowners, and other defendants that may be alleged to have contributed to catastrophic wildfires. Those costs can overwhelm major institutions in the community, undermining their ability to make investments that the State needs. Indeed, even the possibility of litigation regarding a future catastrophic wildfire can create a cloud of uncertainty that can impair an

entity's ability to attract capital on reasonable terms--capital that is vital for making investments in wildfire prevention, among other priorities that may affect the health and safety of the State's residents.

The legislature also finds that the risk of property damage stemming from catastrophic wildfires may lead property insurers to raise rates or refuse to provide coverage for certain losses or certain high-risk areas of Hawaii--as occurred in the wake of hurricane Iniki with respect to hurricane insurance.

The legislature additionally finds that it is in the public interest to take steps to ensure that property insurance remains available to cover losses associated with wildfires by providing benefits to property insurers. Furthermore, the legislature finds that it is in the public interest to ensure that the threat of wildfires does not make investment in Hawaii's public utilities so financially risky that it becomes too costly or impossible for them to raise capital to implement vital plans, including plans to mitigate wildfire risk, and to provide safe, reliable, and affordable service to the people of the State.

Moreover, the legislature finds that it is in the public interest to avoid the costs of litigation arising out of catastrophic wildfires in order to protect Hawaii's economy and encourage investment in the State. The legislature further finds that a fund of this nature would suit the public interest as an element of sound wildfire mitigation planning. Therefore, the purpose of this part is to serve the public interest in the event of a devastating wildfire by establishing a means to

provide compensation for property damage resulting from wildfires.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER

WILDFIRE RELIEF FUND

§ -1 Definitions. As used in this chapter:

"Administrator" means the wildfire relief fund administrator appointed pursuant to section -5.

"Board" means the wildfire relief fund corporation board of directors created pursuant to section -4.

"Catastrophic wildfire" means a wildfire occurring on or after the ~~effective~~operation date ~~of this Act~~ that damages or destroys more than five hundred ~~residential or~~ commercial structures or residential structures designed for habitation.

"Contributor" means any person who contributes to the wildfire relief fund as provided in section -78.

"Cooperative utility" means an electric utility owned by customers and overseen by a board of directors elected by customers.

"Corporation" means the wildfire relief fund corporation established pursuant to section -3.

"Electric utility" means a public utility that exists for the furnishing of electrical power.

~~"Fund~~Eligible claim" means a claim made by a property owner, or the property owner's designated representative, for real or

personal property lost or damaged due to a catastrophic wildfire relief fund established pursuant to section —2.

"Investor-owned utility" means ~~a public~~an electric utility that is owned by shareholders and overseen by a board of directors elected by shareholders.

"Operation date" means the date by which all of the following have occurred prior to the initial date of operation of the wildfire relief fund:

(1) The deadline for property owners to submit a request to opt out under section -13(b);

(2) The deadline for property insurers to submit elections under section -14(a); and

(3) The date for contributors to elect to participate in the wildfire relief fund under section -7(b);

provided that the administrator shall take all reasonable steps necessary to ensure that the operation date is no later than February 14, 2025.

"Other governmental entities" refers to governmental entities, including county government agencies, other than state government agencies.

"Property insurer" means an insurer licensed to provide insurance in the State that, as of the date it elects to participate in the wildfire relief fund, provides insurance coverage for real or personal property loss in the State caused by a catastrophic wildfire.

"Property owner" means an owner of real property in the State.

"Public utility" has the same meaning as ~~defined~~ in section 269-1.

"Upfront", when used regarding payments or contributions under this chapter, means the portion of a contribution, whether initial or supplemental, by a contributor that is paid in a lump sum on a date designated by the administrator or this chapter, in contrast to annual payments or contributions, which are deferred over multiple years.

"Wildfire relief fund" means the wildfire relief fund established pursuant to section -2.

"Wildfire risk mitigation plan" means a plan approved by the public utilities commission pursuant to section -9.

§ -2 Wildfire relief fund; establishment. (a) There is established outside the state treasury a wildfire relief fund and any accounts thereunder to carry out the purposes of this chapter.

(b) The wildfire relief fund shall be placed within the department of commerce and consumer affairs for administrative purposes. The fund shall be a public body corporate and politic.

(c) Moneys deposited in the wildfire relief fund and any accounts thereunder shall be held by the fund, as trustee, in a depository, as defined in section 38-1, or according to a similar arrangement at the discretion of the board.

(d) All moneys received by the ~~wildfire relief fund~~ corporation under this chapter shall be paid immediately to the director of finance and shall become a part of the wildfire relief fund.

(e) All payments authorized to be made by the corporation ~~by~~under this chapter, including all payments for claims for catastrophic wildfire damages, all salaries, and all other expenses, shall be made from the wildfire relief fund.

(f) The moneys in the wildfire relief fund shall be invested according to the same investment plans developed for the Hawaii retirement savings special fund pursuant to chapter 389, and the earnings from the investments shall be credited to the wildfire relief fund.

(g) All moneys in the wildfire relief fund shall be appropriated and expended exclusively for the uses and purposes set forth in this chapter; provided that this section shall not be deemed to amend or impair the force or effect of any law of this State specifically authorizing the investment of moneys from the wildfire relief fund.

(h) The wildfire relief fund shall not be subject to chapter 431.

§ -3 Wildfire relief fund corporation; establishment; purposes; duties. (a) There is established the wildfire relief fund corporation, which shall be an independent public body and a body corporate and politic.

(b) The corporation shall be established within the department of commerce and consumer affairs for administrative purposes.

(c) The purpose of the corporation shall be to administer the payment of:

(1) Eligible claims arising from catastrophic wildfires from the [wildfire relief fund](#); and

(2) Contributions of contributors to the [wildfire relief fund](#).

(d) The corporation shall:

(1) Receive, process, and determine payments for eligible claims for property damage arising from catastrophic wildfires from the [wildfire relief fund](#);

(2) Determine and enforce the collection of contributions from contributors to the [wildfire relief fund](#);

(3) Retain, employ, or contract with officers; experts; employees; accountants; actuaries; financial professionals; and other advisers, consultants, attorneys, and professionals, as may be necessary in the administrator's judgment, for the efficient operation, management, and administration of the corporation;

(4) Enter into contracts and other obligations related to the operation, management, and administration of the corporation;

(5) Purchase insurance or take other actions to maximize the claims-paying resources of the [wildfire relief fund](#);

(6) Pay costs, expenses, and other obligations of the corporation from the [wildfire relief fund's](#) assets;

(7) Take any actions necessary to collect any amounts owed to the [wildfire relief fund](#); and

(8) Undertake other activities related to the operation, management, and administration of the [wildfire relief fund](#), as approved by the board.

§ -4 Wildfire relief fund corporation; board of

directors. (a) There is established a wildfire relief fund corporation board of directors, which shall consist of ~~—~~five members appointed by the governor in accordance with section 26-34. The board shall be the policy-making body of the corporation. The board shall be responsible for adopting policies for the administration and operation of the wildfire relief fund and the performance of other duties and functions assigned to the fund, to the degree not specified in this chapter.

(b) The members of the board shall serve staggered terms, with ~~one-half of the~~three members' initial terms ending four years after the initial appointment, and ~~one-half of the~~two members' initial terms ending six years after the initial appointment. Thereafter, each member shall serve four-year terms. Vacancies shall be filled for the remainder of any unexpired term in the same manner as the original appointments.

(c) The chairperson of the board shall be elected from among the appointed members of the board. A majority of all members currently appointed to the board shall constitute a quorum to conduct business, and the concurrence of a majority of all members currently appointed to the board shall be necessary to make any action valid, unless otherwise specified in this chapter.

(d) Members of the board shall be appointed to ensure:

(1) A broad and balanced representation, with proper judgment, character, expertise, skills, and knowledge useful to the oversight of the corporation; and

(2) Diversity with regard to viewpoints, background, work experience, and demographics.

The members of the board shall serve without compensation but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred in the discharge of their duties.

(e) The board shall meet at least once every three months at a time and place determined by the board. The board shall meet at other times and places as determined by the call of the chairperson or by a majority of the members of the board.

(f) No later than twenty days before the convening of each regular session ~~of the legislature~~, the board shall submit to the legislature and governor a report regarding the activities and operations of the corporation during the preceding year. The report shall include, at a minimum, a description of:

- (1) The effectiveness of the [wildfire relief](#) fund's claims-payment process; and
- (2) The level of participation in the [wildfire relief](#) fund by all eligible participants, including property owners, property insurers, and contributors.

(g) Each member of the board shall retain all immunities and rights provided to a member pursuant to section 26-35.5.

§ -5 Wildfire relief fund corporation; administrator. (a) The board shall appoint an administrator and oversee the administrator's management and administration of the corporation.

(b) The administrator shall serve at the pleasure of the board and shall be exempt from chapter 76.

(c) The administrator shall have powers as are necessary to carry out the functions of the corporation, subject to the policy direction of the board.

(d) The administrator may employ, terminate, and supervise employees, including assistants, experts, field personnel, and clerks, as may be necessary ~~for~~in the administration of the corporation.

(e) The board may overturn any decision of the administrator through a majority vote.

(f) At the direction of the board, the administrator shall prepare and present for approval a plan of operations related to the operations, management, and administration of the wildfire relief fund on an annual basis. At least annually and at the direction of the board, the administrator shall ~~submit~~present the plan of operations to the appropriate ~~policy~~ committees of the legislature. The plan shall include but not be limited to reporting on the wildfire relief fund's assets and projections for the duration of the fund.

(g) At the direction of the board, the administrator shall at least annually prepare and publish on the corporation's website a public-facing report that describes the operations and activities of the corporation and wildfire relief fund during the preceding year, including a description of the financial condition of the wildfire relief fund.

§ -6 Wildfire relief fund and corporation;
audit. (a) The auditor shall conduct an annual financial audit of the corporation and wildfire relief fund pursuant to chapter

23. As part of this audit, the auditor may contract with a firm qualified to perform an independent actuarial review.

(b) The auditor shall determine the scope of the review required by this section, which shall include but not be limited to:

- (1) A review of the sources and uses of the moneys in the [wildfire relief fund](#);
- (2) A reconciliation of changes in actuarial assumptions and reserve values from the preceding year;
- (3) An examination of the development of claim reserve inadequacies or redundancies over time; and
- (4) An assessment of the future financial viability of the [wildfire relief fund](#).

(c) The corporation shall cooperate with the actuarial firm in all respects and shall permit the firm full access to all information the firm deems necessary for a true and complete review. Information provided to the actuarial firm conducting the annual review shall be subject to the same limitations on public inspections as [are](#) required for the records of the corporation.

(d) The audit required by this section shall be conducted using both generally accepted accounting principles and the ~~generally accepted government auditing standards~~ [statutory accounting principles published by the National Association of Insurance Commissioners](#).

(e) The cost of the audit required by this section shall be paid by the corporation.

(f) The auditor shall issue an annual report to the legislature and governor on the results of the audit and review. The audit and report of the review performed by the independent actuarial firm shall be available for public inspection, in accordance with the auditor's established rules and procedures governing public disclosure of audit documents.

§ -7 Wildfire relief fund; participation. (a) The following entities may participate in the wildfire relief fund as contributors:

(1) The State;

(2) Electric utilities;

(3) Public utilities that are not electric utilities that contribute to the risk of occurrence or severity of a catastrophic wildfire, including ~~but not limited to~~ public utilities for the production, conveyance, transmission, delivery, or furnishing of gas;

(4) Other governmental entities; and

(5) Private property owners who own, or whose affiliated persons or entities own in the aggregate, at least ~~—~~one thousand acres of land in Hawaii.

(b) To participate in the wildfire relief fund as a contributor, an entity shall:

(1) Notify the administrator that it intends to participate in the wildfire relief fund by ~~—~~a date set by the administrator in the year preceding the year in which the entity seeks to participate in the wildfire relief fund; and

(2) ~~Have made~~Make required contributions to the wildfire relief fund pursuant to section -8.

By making the election under paragraph (1), a participant shall be required to make an initial contribution.

(c) A contributor that is also a property owner ~~in Hawaii~~ may make a claim to the wildfire relief fund for compensation in the same manner provided for in section -13 as other property owners; provided that the contributor:

(1) ~~Shall retain~~Retains all of the rights, privileges, and obligations of a contributor; and

(2) Notwithstanding any other provisions of this chapter and regardless of the existence of a depletion event under section -16(c), ~~shall be~~is bound by the limitation on claims under section -18.

(d) Any person or entity that poses a risk of causing or exacerbating the severity of a catastrophic wildfire that is not eligible to participate as a contributor in the wildfire relief fund may submit an application to the board for participation.

(e) The board shall adopt rules pursuant to chapter 91 and issue criteria for applications submitted under subsection (d).

(f) The board shall include in its annual report to the legislature and governor under section -4 all applications submitted under subsection (d) and shall recommend to the legislature whether participation criteria for contributors should be broadened.

(g) Notwithstanding any provision to the contrary, an electric utility that is a defendant in a civil action, as of the effective date of this chapter, related to an event that, if it occurred on or after the operation date, would qualify as a catastrophic wildfire, may participate in the fund only if the

utility provides, and the commission approves, a plan that satisfies the following conditions:

(1) The plan minimizes the burden on the ratepayers of the electric utility;

(2) The plan provides for a review of the organizational structure of the electric utility and its lines of business;

(3) The plan provides for a review of local governance and accountability, including a potential modification of the governance structure and the management and board of directors of the electric utility to emphasize safety and customers' interests;

(4) The plan includes a framework for addressing wildfire safety and risk management, including monitoring, review, oversight, and enforcement by the public utilities commission, and performance-based utility regulation, as defined by the public utilities commission; provided that executive compensation shall exclude any incentives associated with this chapter;

(5) The plan permits periodic performance-based management audits of the public utility;

(6) The plan is consistent with meeting the public utility's and the State's renewable portfolio standards, mandates, and obligations; and

(7) The utility has an approved wildfire risk mitigation plan approved by the public utilities commission; provided that the public utilities commission shall determine the timeline for the plan and when utility participation may begin within the timeline.

(h) If any agency of the State requires any contributor other than an electric utility to submit a plan to mitigate wildfire risk, the agency may prohibit a contributor from participating in the wildfire relief fund as a contributor until the agency approves the contributor's plan.

(i) An electric utility that is required to submit for approval a plan under subsection (g) may make the election under

subsection (b) (1) before approval of a plan pursuant to subsection (g) but shall not make any monetary contribution before such approval. The electric utility shall not be deemed to have failed to make a required payment under section -10(b); provided that it otherwise complies with this subsection.

If the commission approves the plan after the upfront payment date but within one year of the operation date, the electric utility that submitted the plan may participate in the wildfire relief fund as a contributor and shall be afforded all rights and privileges of a contributor under this chapter as of the operation date by making an upfront payment within thirty days of that approval, notwithstanding any earlier deadlines pursuant to this chapter.

If the commission approves the plan more than one year after the operation date, the electric utility that submitted the plan may elect to participate as a contributor only under section -8(e) and shall not be considered a contributor before that election date.

The wildfire relief fund shall have no claim against an electric utility for failing to make any monetary contribution on the basis that the commission has not yet approved a plan pursuant to subsection (g).

§ -8 Wildfire relief fund; funding. (a) Total capitalization. The total capitalization amount of the wildfire relief fund shall be \$~~————~~one billion dollars. Neither the

board nor the administrator may modify the total capitalization amount, except as otherwise expressly provided in this chapter.

~~(b) Actuarial study. The board shall commission an actuarial study to be completed in 2024 to assess whether the total capitalization amount should be increased or decreased based on a holistic assessment of the risk of catastrophic wildfires in Hawaii and the potential exposure of the fund to claims arising out of catastrophic wildfires. The board shall include this assessment in the annual report that it submits to the legislature and governor under section 4.~~

~~(e~~ (b) Time to total capitalization. The administrator shall recommend to the board, and the board shall, by majority vote, approve initial contribution amounts ~~under \$~~ for potential contributors, other than the State and investor-owned electric utilities, based on ~~the~~any actuarial factors ~~identified in subsection (b)~~ and with the goal ~~of~~, to the extent reasonably possible, of having the wildfire relief fund ~~reach~~have the financial capacity to cover claims equal to the total capitalization amount within five years of the ~~effective~~operation date ~~of Act~~, ~~Session Laws of Hawaii 2024~~, taking into consideration reasonably expected investment returns, actual and expected contributions to the wildfire relief fund, contingent guarantees, insurance purchased by the wildfire relief fund, and any other mechanisms that increase the financial capacity of the wildfire relief fund, and assuming no payments will be made by the wildfire relief fund during that time period.

(~~a~~c) Capitalization amounts. With the exception of the State's monetary contribution made by the State and pledge as described in paragraph (4), initial contribution amounts ~~shall~~may be divided by the administrator, at a contributor's request, into an ~~initial~~upfront contribution amount to be made by ~~_____~~, the upfront payment date as specified in subsection (n), and annual contribution amounts to be made over ~~at the first~~ the first five-year period after the operation date, subject to the interest payment identified in subsection (m) and the administrator's ability to increase payments under the insufficient funding provision in subsection (~~g~~f).

The wildfire relief fund shall be capitalized by the following initial contributions:

(1) From public utilities other than investor-owned electric utilities, private property owners, and other governmental entities that are eligible to participate in the wildfire relief fund, ~~an~~:

(A) Collectively, \$333.3 million ;

(B) From other governmental entities that are eligible to participate in the wildfire relief fund, a fraction of the amount determined by the administrator based on an actuarial assessment of the risk of payments to these entities by the fund resulting from catastrophic wildfires created by these entities, as well as the risk of potential payments made by the fund resulting

from catastrophic wildfires created by these entities; and

~~(2) From~~ (C) For public utilities other than investor-owned electric utilities and from private ~~landowners that are in all cases eligible to participate in the fund,~~ an property owners, a fraction of such amount determined by the administrator based on an actuarial assessment of the risk of potential payments by the wildfire relief fund resulting from catastrophic wildfires created by ~~these~~ entities such entity;

~~—(3) From electric utilities, \$———; provided that there shall be different contribution amounts required by investor-owned utilities and non-investor owned utilities, taking into account the differences in revenues and assets between the ownership models; and~~

~~—(4) From the State, \$———.~~

~~—(e)~~ (2) From investor-owned electric utilities, \$333.3 Million ; and

(3) From the State, \$333.3 million , consisting of a \$9.3 monetary contribution and a pledge of \$324 million pursuant to subsection (l).

(d) The board shall determine the initial contribution amounts of eligible contributors by ~~———; provided that this date is~~ thirty days before the date by which participants are required to notify the administrator of their intention to participate in the ~~fund.~~ wildfire relief fund pursuant to section —7(b). If an eligible contributor declines to notify the administrator that the eligible contributor wishes to

participate in ~~the fund~~ and become a contributor to the wildfire relief fund during the fund's first year of operation, the board shall reduce the total capitalization amount by subtracting the amount the board allocated to that eligible contributor.

(~~f~~e) If an electric utility, public utility other than an electric utility, other governmental entity, or private property owner elects to become a contributor after the ~~initial capitalization of the fund, the electric utility, public utility other than an electric utility, other governmental entity, or private property owner shall provide, by _____ in the year before the year in which the electric utility, public utility other than an electric utility, other governmental entity, or private property owner seeks to become a contributor, an initial contribution in an amount determined by the board by a majority vote upon the administrator's recommendation, based on an up to date consideration of the factors identified in subsection (b), such that the previous and present initial contributions by all contributors reflect their relative contributions to the risk of future payments from the fund~~operation date, the board shall determine required contribution amounts, which may be, at the discretion of the board, made in upfront and annual payments, based on an up-to-date consideration of any actuarial factors, and the board shall increase the total capitalization amount in accordance with those contribution amounts.

~~_____ If necessary to achieve an allocation of initial contributions, and if the election is made before the fifth year of fund operation, the administrator shall reduce the amount of annual contributions by~~

~~one or more contributors who previously made initial contributions until an allocation is reached. The administrator shall increase the total capitalization amount of the fund by the amount of the initial contribution of the new fund contributor. The administrator may, in the administrator's discretion, permit a new contributor under this subsection to make payments over a five year period.~~

~~(g) Insufficient funding. If the administrator determines that payments made by the~~ (f) Insufficient funding. If the administrator determines that payments made by the wildfire relief fund, and expected future contributions by contributors and investment returns, will result in the fund's: failing to reach the total capitalization amount, as adjusted, as applicable, under subsection (a), by the fifth year of operation after the operation date; or falling below the total capitalization amount after the fifth year of operation after the operation date, including, in either case, as a result of the ~~legislature~~legislature's increasing the total capitalization amount, the administrator shall recommend that the board establish a supplemental contribution to be contributed to the wildfire relief fund. Responsibility among contributors for the supplemental contribution shall be allocated as follows:

(1) The administrator shall recommend to the board, and the board shall determine by majority vote, the respective portions of the supplemental contribution amount to be paid by each contributing electric utility, public utility other than an electric utility, other governmental entity, and private property owner contributor, based on an up-to-date assessment of the any actuarial factors ~~identified in subsection (b);~~ and

(2) The remaining amount of the supplemental contribution, but not more than the largest contribution by other contributors, shall be paid by the State, subject to legislative appropriation.

~~(h)~~ The administrator may allow contributors to pay supplemental contributions via annual contributions, or in part via an ~~initial~~upfront contribution followed by annual contributions, unless the administrator determines that ~~this~~a contribution schedule will create a material risk that the wildfire relief fund will not reach or return to its total capitalization amount within a reasonable period of time to perform the functions identified in this chapter.

~~The administrator may permit annual supplemental contributions, instead of a single upfront contribution, subject to the payment of interest at the rate set under subsection (m).~~

(h) If the board establishes a supplemental contribution pursuant to subsection (g), before the wildfire relief fund receives the supplemental contribution, the wildfire relief fund may issue revenue bonds up to the amount of the supplemental contribution, which shall be backed by future contributions to the wildfire relief fund.

~~(i)~~ The board may order supplemental contributions under this chapter even if an investigation under the replenishment process under section -9 is ongoing. In the event that payments are later made under that replenishment process, the board, provided that other conditions of the refunds section are met pursuant to section -11, may refund supplemental contributions in whole or in part.

(~~k~~j) Utility contribution. The public utilities commission ~~shall determine a cap on the percentage~~may, if authorized by law, ~~authorize recovery~~ of ~~a public utility's contributions to the fund,~~ ~~including~~an investor owned utility's initial and supplemental contributions, ~~to the wildfire relief fund via a securitization transaction, provided~~ that ~~may be recovered~~the commission ensures that such securitization transaction, considered in conjunction with any other securitization transaction the commission has authorized, prevents an undue burden on consumers of the electric utility by capping the total bill impact of such securitization transactions. If the commission does not authorize a securitization to recover the investor owned utility's initial and supplemental contributions to the wildfire relief fund, the commission shall authorize recovery of such from its customers in rates, ~~unless~~subject to a cap determined by the commission~~directs otherwise pursuant section 9.~~

(~~l~~k) If the total amount of payments that the administrator determines should be paid in connection with a catastrophic wildfire pursuant to sections -13, -14, and -15 exceeds the current balance of the wildfire relief fund, the State may provide a loan to the wildfire relief fund ~~in an amount up to the depletion percentage, as determined by section -~~ 16(d). The loan shall be repaid over time through annual contributions by contributors.

(1) The State shall make its initial monetary contribution of \$9.3 million to the wildfire relief fund as soon as

practicable after the effective date of this Act, to be used to pay for the operations of the wildfire relief fund in advance of the operation date.

The State shall irrevocably pledge to appropriate and provide up to \$324 million in the following manner:

(1) In the event that a catastrophic wildfire occurs and the administrator determines that the amount the wildfire relief fund is obligated to pay to property owners, property insurers, the State, and other governmental entities has exceeded or will exceed the total moneys in the wildfire relief fund, the administrator shall demand, and the State shall be obligated to provide, a contribution to the wildfire relief fund;

(2) The administrator shall demand, and the State shall provide, the contribution required under paragraph (1) before the administrator seeks additional funding through supplemental contributions under subsection (f) or loans under subsection (k);

(3) The obligation to provide the contribution required under paragraph (1) if the conditions of this subsection are met shall constitute an irrevocable guarantee of the State, backed by the full faith and credit of the State;

(4) At no time shall the aggregate amount of the State's financial responsibility to the wildfire relief fund, contingent or otherwise, under this subsection exceed \$324 million; and

(5) The administrator, in making the calculations under subsection (f) and sections -11(a) and -16, shall treat the amount remaining on the State's pledge as capital in the wildfire relief fund for purposes of computing the total capitalization of the wildfire relief fund.

(m) A contributor may request that the administrator permit the contributor to pay the contributor's initial contribution over a five-year period via upfront and annual payments; provided that the contributor shall pay interest on all amounts deferred beyond the upfront payment date at a rate

equal to the State's average incremental borrowing rate plus two hundred basis points.

(n) The upfront payment date shall be the date on which the upfront portion of all contributors' initial contributions shall be paid to the wildfire relief fund. The administrator shall determine the upfront payment date and announce it at least ninety days in advance. The upfront payment date shall be at least thirty days after the operation date and in no event earlier than April 15, 2025; provided that if a catastrophic wildfire occurs before March 15, 2025, the administrator may accelerate the upfront payment date to thirty days after the administrator provides notice of the acceleration to all contributors.

§ -9 Replenishment of ~~the~~ wildfire relief fund; determination of prudence. (a) If the administrator, or an agency of the State with responsibility for determining the causes of wildfires ~~or catastrophic wildfires,~~ informs the public utilities commission that ~~a catastrophic wildfire may have been ignited by~~ the facilities of a public utility that is a contributor may have caused the occurrence or contributed to the severity of a catastrophic wildfire, the public utilities commission shall initiate a proceeding to review the public utility's conduct leading to the catastrophic wildfire and make findings. The public utilities commission may, even without formal notice from the administrator or the agency, initiate this proceeding of its own accord.

(b) The public utilities commission shall evaluate the prudence of the conduct of the public utility in connection with a catastrophic wildfire- in the following manner: The public utilities commission shall determine whether the public utility acted prudently, considering only acts that may have caused the ~~ignition~~occurrence or contributed to the severity of the catastrophic wildfire, and evaluating the public utility's actions in the context of the public utility's overall systems, processes, and programs, such that an error by a public utility employee would not be a basis for a finding of imprudence, unless that error ~~resulted from any~~was the result of an imprudent system, process, or program.

(c) In evaluating prudence under this section, the public utilities commission shall determine whether the actions of the public utility were consistent with actions that a reasonable ~~public~~ utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available to the ~~public~~investor-owned utility at the relevant point in time.

Reasonable conduct shall not be limited to the optimum practice, method, or act to the exclusion of others, but rather shall encompass a spectrum of possible practices, methods, or acts consistent with utility system needs, the interest of ratepayers, and the requirements of governmental agencies of competent jurisdiction.

(d) If the public utilities commission determines that imprudent conduct by the public utility caused the occurrence or

contributed to the severity of a catastrophic wildfire, the public utilities commission shall determine whether to order the public utility to reimburse the wildfire relief fund in whole or in part for payments from the fund made in connection with the catastrophic wildfire. In determining the amount of reimbursement, if any, the public utilities commission shall consider the extent and severity of the public utility's imprudence and factors within and beyond the public utility's control that may have led to or exacerbated the costs from the catastrophic wildfire, including but not limited to humidity, temperature, winds, fuel, merged wildfires with independent ignitions, third-party actions that affected the spread of the wildfire, and fire suppression activities.

(e) The public utilities commission shall not order the public utility to reimburse the wildfire relief fund in an amount that exceeds the lesser of:

(1) The costs that the public utilities commission determines were due to the public utility's imprudence; or

(2) Twenty per cent of the public utility's transmission and distribution equity rate base minus the amounts the public utility has reimbursed, or is required to reimburse, the wildfire relief fund during the period of three consecutive calendar years ending on December-31 of the year in which the calculation is being performed.

(f) If the public utilities commission orders the public utility to reimburse the wildfire relief fund, the public utility shall not recover the amount of the reimbursement in rates charged to ratepayers.

(g) If the administrator, or an agency of the State with responsibility for determining the causes of wildfires or catastrophic wildfires, concludes that the conduct of an other governmental entity or ~~private~~ property owner that is a contributor may have caused the occurrence or contributed to the severity of a catastrophic wildfire, the administrator shall assess the prudence of the contributor's conduct, applying the same standard of prudence applied to public utilities pursuant to subsection (c).

(h) If the administrator determines that the contributor acted imprudently and that the imprudence caused the occurrence or contributed to the severity of the catastrophic wildfire, the administrator shall recommend that the board require ~~the~~such contributor to reimburse the wildfire relief fund in whole or in part for payments that the fund made in connection with the catastrophic wildfire, considering the factors set forth in subsection (d), subject to a cap of ten per cent of the contributor's assets within Hawaii, measured over a rolling three-year period.

§ -10 Failure to make contributions to wildfire relief fund. (a) Contributors shall notify the administrator if they will make, or fail to make, a ~~required~~supplemental contribution, ~~whether initial, annual, or supplemental,~~ to the wildfire relief fund at least ~~—~~thirty days before the supplemental contribution is due.

(b) If a contributor fails to make a required contribution to the wildfire relief fund, that contributor ~~will~~shall no longer

be a contributor as of the date that the contribution was due. That entity may, however, rejoin the fund under the process for joining the fund after initial capitalization set forth in section -8.

(c) The administrator shall not refund to an entity that fails to make a contribution any previous payments made to the wildfire relief fund. However, the administrator shall credit all previous contributions when determining the amount of payment to be made if a participant rejoins the fund under subsection (b).

§ -11 Refunds. (a) In the event that the total amount in the wildfire relief fund exceeds one hundred twenty per cent of the total capitalization amount, the administrator may recommend that the board authorize refunds to be made to the contributors; provided that the refunds do not deplete the wildfire relief fund below one hundred twenty per cent of the total capitalization amount.

(b) Refunds shall be made in proportion to the total ~~amount~~money contributed by the contributors to the wildfire relief fund as of the date of the refund, excluding any payments made under the replenishment provisions under section -9.

(c) The administrator has no obligation to recommend, and the board has no obligation to authorize, a refund. The board shall make a refund only if it takes into consideration all relevant factors and circumstances and determines that making a refund will be unlikely to result in the wildfire relief fund's

falling below one hundred twenty per cent of total capitalization within three years after the refund.

(d) Any contributor may request that the board make a refund whenever the conditions under this section are met.

(e) If the board elects to issue a refund or elects not to do so after receiving a request under subsection (d), the administrator shall issue an order explaining the board's decision.

§ -12 Processing of claims. (a) With the approval of the board, the administrator shall establish and approve procedures for the review, approval, and timely payment of claims for reimbursement from the wildfire relief fund. The procedures may be revised from time to time by the administrator with the approval of the board.

(b) In the event of a catastrophic wildfire within the State, the administrator shall process claims made for compensation against the wildfire relief fund related to the catastrophic wildfire, consistent with the requirements of this chapter.

§ -13 Claims by property owners. (a) To be eligible for compensation from the wildfire relief fund for recovery of uninsured damage to property from a catastrophic wildfire, a property owner shall not have opted out from participation in the wildfire relief fund before the occurrence of the catastrophic wildfire.

(b) County tax assessors shall include, with each real property tax assessment sent to an owner of real property ~~owner~~

in the State, a prominent notice regarding participation in the wildfire relief fund. The notice shall be in a form prescribed by the administrator and shall clearly explain the property owner's right to opt out of participation in the wildfire relief fund by submitting a request to opt out to the administrator within a specific time. A property owner who does not submit a timely request to opt out shall be deemed to participate in the wildfire relief fund as of the deadline for submitting a request to opt out.

(c) Any costs of administering the process described in subsection (b) shall be reimbursed by the wildfire relief fund.

(d) To opt out of participation in the wildfire relief fund with regard to property ~~either~~ in areas within the State that have been assigned extreme, high, and moderate wildfire risk classes by the department of land and natural resources, a property owner shall submit documentation of insurance coverage for the property along with the property owner's request to opt out of the wildfire relief fund, and the administrator shall approve the documentation as adequate evidence of insurance for the applicable property.

(e) Following a catastrophic wildfire, to make a claim for compensation from the wildfire relief fund for uninsured damage to real or personal property from the catastrophic wildfire, a property owner shall submit to the administrator documentation establishing:

- (1) That the catastrophic wildfire damaged the owner's property;

(2) The extent of the losses to the owner's property caused by that catastrophic wildfire; and

(3) Any insurance policy providing coverage for those losses.

(f) Within ninety days after a property owner submits a claim for compensation from the wildfire relief fund, including the documentation required in this section, the administrator shall determine whether the documentation is adequate and, if so, the appropriate amount of the payment to the property owner from the wildfire relief fund. If the administrator determines that the property owner has not submitted sufficient documentation for the administrator to evaluate the claim, the administrator may request additional documentation from the property owner and may set a date by which the additional information shall be provided.

(g) If no insurance policy provides coverage for the losses for which a property owner seeks compensation from the wildfire relief fund, the property owner shall be eligible to receive as compensation from the wildfire relief fund a maximum of \$50,000.

(h) If an insurance policy provides coverage for the losses for ~~which a~~ property damage incurred by an eligible property owner who seeks compensation from the wildfire relief fund, the property owner shall be eligible to receive as compensation from the ~~fund~~ wildfire relief fund only compensation for uninsured real or personal property damage, in an amount up to the lesser of:

(1) ~~35~~ per cent of the amount by which the property owner's losses exceed the amount of insurance coverage for the losses; or

(2) ~~50~~ per cent of the property owner's insurance coverage applicable to the losses;

provided that the property owner submits adequate documentation of those losses, as required by this section.

§ -14 Claims by property insurers. (a) To be eligible for compensation from the wildfire relief fund, a property insurer shall have elected to participate in the fund before the annual policy period in which the catastrophic wildfire occurred. The administrator shall establish a process for property insurers to annually submit an election to participate in the fund to the administrator within a specified time. The date for submission of that election shall be the same as the date for property owners to submit a request to opt out pursuant to section -13(b).

(b) All property insurers who elect to participate in the wildfire relief fund shall be eligible to receive as compensation from the wildfire relief fund 20 per cent of their total payments for property damage claims, including real or personal property, in Hawaii as a result of a catastrophic wildfire.

(c) Following a catastrophic wildfire, to make a claim for compensation from the wildfire relief fund based on claims resulting from the catastrophic wildfire, an eligible property insurer shall submit to the administrator documentation establishing the number, nature, and total value of ~~the~~ insurance

claims that the property insurer paid pursuant to its policies for damage resulting from the catastrophic wildfire as well as documentation sufficient to assess the reasonableness of the property insurer's payment of ~~the~~ claims.

(d) After receipt of a property insurer's claim for compensation from the wildfire relief fund, including the documentation required in this section, the administrator shall:

(1) Review via an expedited procedure the property insurer's claim for compensation from the wildfire relief fund; and

(2) Determine:

(A) Whether the documentation provided is adequate; and

(B) The appropriate amount of the payment to the property insurer from the fund.

§ -15 Claims by the State and other governmental entities. (a) The State may submit claims for compensation from the wildfire relief fund for damages it incurred resulting from a catastrophic wildfire, including damage to infrastructure or other property, costs of fire suppression, and natural resource damages, to the extent recovery of the losses is authorized by law.

(b) Other governmental entities may submit claims for compensation from the wildfire relief fund for damages they incurred resulting from a catastrophic wildfire, including damage to infrastructure or other property and other losses, to the extent recovery of the losses is authorized by law; provided

that to be eligible for compensation from the wildfire relief fund related to a catastrophic wildfire, ~~the~~an other governmental entity shall elect to be a contributor ~~and shall have satisfied contribution obligations~~ pursuant to section ~~-8~~7(b)(1) before the occurrence of the catastrophic wildfire.

(c) To make a claim under this section, the State or other governmental entity shall submit to the administrator documentation establishing:

- (1) That the catastrophic wildfire caused the damages;
- (2) The extent of the damages caused by the catastrophic wildfire; and
- (3) Any other documentation necessary to establish the State's or other governmental entity's right to recover the losses pursuant to law.

(d) After receipt of a claim for compensation from the wildfire relief fund pursuant to this section, the administrator shall determine whether the State or other governmental entity is authorized to recover damages under applicable law and, if so, the appropriate amount of the payment.

§ -16 Fund depletion. (a) Within thirty days of a catastrophic wildfire, the administrator shall assess whether the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, the State, and other governmental entities under sections -13, -14, and -15, respectively, are expected to exceed seventy-five per cent of the total available ~~money~~financial capacity in the wildfire relief fund. The board shall adopt rules pursuant to chapter 91 regarding the performance of this assessment.

(b) If the administrator assesses pursuant to subsection (a) that the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, the State, and other governmental entities under sections -13, -14, and -15, respectively, are expected to exceed seventy-five per cent of the total available ~~money~~ remaining financial capacity in the wildfire relief fund, the administrator shall seek to increase the total ~~amount~~ financial capacity of ~~money in~~ the fund using all available methods under this chapter.

(c) Depletion event. If the administrator is unable, despite taking the steps under subsection (b), to secure sufficient additional ~~funding~~ financial capacity for the wildfire relief fund, including credible pledges for future funding, to reverse the administrator's assessment under subsection (b) within forty ~~five~~ days, the administrator shall declare the existence of a depletion event. The administrator may, for good cause, extend this time period by an additional thirty days.

(d) Depletion percentage. If the administrator declares the existence of a depletion event, the administrator shall determine what percentage of total eligible payments the wildfire relief fund can make without the likelihood that the payments will exceed seventy-five per cent of the total ~~available money~~ financial capacity in the wildfire relief fund. This percentage shall be deemed the depletion percentage.

(e) Depletion payment. The administrator shall thereafter offer all property owners, property insurers, ~~and~~ the State, and

other governmental entities that submit claims for compensation from the wildfire relief fund and would otherwise, under sections -13, -14, and -15, respectively, be entitled to a particular payment amount, that amount multiplied by the depletion percentage. This amount shall be deemed the depletion payment.

(f) All claimants that are offered the depletion payment may choose to accept or decline the payment. Any property owner or property insurer, other than a contributor, that declines to accept the depletion payment shall:

(1) Be ineligible for any payments by the wildfire relief fund with respect to the catastrophic wildfire for which the claim was made; and

(2) Not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire.

~~(g) After~~ The limitation period for any cause of action arising out of the ~~payments~~ catastrophic wildfire that could be asserted by the property owner or property insurer that declines to ~~all~~ accept the depletion payment shall be tolled for the period from the date of the catastrophic wildfire to the date the administrator offers claimants ~~who~~ the depletion payment.

(g) (i) Any property owner or property insurer, other than a contributor, that accepts the depletion payment shall be entitled to an additional payment from the fund, within three years of receipt of the depletion payment, equal to the difference between the depletion payment and what the property owner or property insurer would have been entitled to from the

fund in the absence of a depletion event. This shall be called the true-up payment.

(ii) In the event that, after expiration of that three-year period, the fund has failed to make the true-up payment to a particular property owner or property insurer, that property owner or property insurer shall not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire. In any suit brought by or on behalf of that property owner or property insurer that, but for the failure of the fund to make the true-up payment, would have been barred by the limitation on claims under section - 18, the following provision will apply: total recovery, inclusive of damages, attorney's fees, and interest, shall be limited to three times the true-up payment.

(iii) The limitation period for any cause of action arising out of the catastrophic wildfire that could be asserted by the property owner or property insurer that accepted the depletion payment ~~have been~~ shall be tolled for the period from the date of the catastrophic wildfire to the date the true-up payment under subsection (i) is made, ~~the administrator may recommend to the board, and the board may decide, in its discretion, to make a further payment to all claimants who accepted the depletion payment. The board shall adopt rules pursuant to chapter 91 for the making of this decision.~~ or is due, whichever is earlier.

(i) Multiple catastrophic events. The board shall adopt rules pursuant to chapter 91 regarding how to pay claims in the

event that one or more catastrophic wildfires occur while the corporation is in the process of assessing, receiving, determining, or paying claims from an earlier catastrophic wildfire.

§ -17 Hearings and appeals of determinations. (a) Within thirty days after the administrator's determination of the amount of payment due to any claimant from the wildfire relief fund pursuant to sections -13, -14, and -15, respectively, or the board's determination of a contributor's allocation for any contribution, the affected person or entity may request a contested case hearing on that determination before the department of commerce and consumer affairs, pursuant to chapter 91.

(b) Upon receipt of a request for ~~a~~ hearing on the administrator or board's determination, the office of administrative hearings shall schedule a hearing date no later than ~~—~~thirty days after its receipt of the request for ~~a~~ hearing.

(c) Following the conclusion of any hearing or before the conclusion of the hearing, with the concurrence of the parties, the office of administrative hearings shall promptly, and no later than ~~—~~thirty days after the hearing, decide the matter and issue findings of fact, conclusions of law, and a decision in accordance with the hearings officer's determination.

(d) Within ~~—~~thirty days after the date on which a copy of the office of administrative hearings' order is mailed to the

parties, a party may seek judicial review of the order by filing a petition for review in the applicable circuit court, with a right of appeal as allowed by law. If no petition is timely filed, the order of the office of administrative hearings shall be final.

§ -18 Limitations on claims. (a) No suit, claim, or other civil legal action may be instituted or maintained against contributors or their affiliates, employees, agents, or insurers:

(1) For recovery of losses or damages of a type for which compensation may be sought from the [wildfire relief](#) fund; and

(2) By persons or entities:

(A) Who are contributors, property owners who do not opt out of the [wildfire relief](#) fund, or property insurers who elect to participate in the [wildfire relief](#) fund; or

(B) Who seek indemnity or contribution for amounts paid, or that may be paid, to contributors, property owners who do not opt out of the [wildfire relief](#) fund, or property insurers who elect to participate in the [wildfire relief](#) fund-;

[provided that the rights of a property insurer to sue as subrogee of its policyholder shall not be affected by a property owner's participation in the wildfire relief fund and eligibility to seek uninsured property damages from the wildfire relief fund, but instead such subrogation rights](#)

shall be affected only if the property insurer elects to participate in the wildfire relief fund.

(b) Persons or entities who are eligible to seek compensation from the wildfire relief fund for property damage arising from a catastrophic wildfire may not seek to recover for damage from electric utilities, public utilities other than electric utilities, the State, or private property owners who are contributors, notwithstanding that the claimed property damage may exceed the amount of payment by the wildfire relief fund for the damage.

(c) The wildfire relief fund shall be subrogated to the rights of the contributors, property owners who do not opt out of the wildfire relief fund, and property insurers who elect to participate in the wildfire relief fund, to the extent of any payment made by the wildfire relief fund to those persons or entities, and may pursue claims against a person or ~~an~~ entity that is not a contributor for damages resulting from the catastrophic wildfire."

SECTION 3. Section 76-16, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The civil service to which this chapter applies shall comprise all positions in the State now existing or hereafter established and embrace all personal services performed for the State, except the following:

(1) Commissioned and enlisted personnel of the Hawaii National Guard as such, and positions in the Hawaii National Guard that are required by state or federal laws

or regulations or orders of the National Guard to be filled from those commissioned or enlisted personnel;

(2) Positions filled by persons employed by contract where the director of human resources development has certified that the service is special or unique or is essential to the public interest and that, because of circumstances surrounding its fulfillment, personnel to perform the service cannot be obtained through normal civil service recruitment procedures. Any such contract may be for any period not exceeding one year;

(3) Positions that must be filled without delay to comply with a court order or decree if the director determines that recruitment through normal recruitment civil service procedures would result in delay or noncompliance, such as the Felix-Cayetano consent decree;

(4) Positions filled by the legislature or by either house or any committee thereof;

(5) Employees in the office of the governor and office of the lieutenant governor, and household employees at Washington Place;

(6) Positions filled by popular vote;

(7) Department heads, officers, and members of any board, commission, or other state agency whose appointments are made by the governor or are required by law to be confirmed by the senate;

(8) Judges, referees, receivers, masters, jurors, notaries public, land court examiners, court commissioners, and attorneys appointed by a state court for a special temporary service;

(9) One bailiff for the chief justice of the supreme court who shall have the powers and duties of a court officer and bailiff under section 606-14; one secretary or clerk for each justice of the supreme court, each judge of the intermediate appellate court, and each judge of the circuit court; one secretary for the judicial council; one deputy administrative director of the courts; three law clerks for the chief justice of the supreme court, two law clerks for each associate justice of the supreme court and each judge of the intermediate appellate court, one law clerk for each judge of the circuit court, two additional law clerks for the civil administrative judge of the circuit court of the first circuit, two additional law clerks for the criminal administrative judge of the circuit court of the first circuit, one additional law clerk for the senior judge of the family court of the first circuit, two additional law clerks for the civil motions judge of the circuit court of the first circuit, two additional law clerks for the criminal motions

judge of the circuit court of the first circuit, and two law clerks for the administrative judge of the district court of the first circuit; and one private secretary for the administrative director of the courts, the deputy administrative director of the courts, each department head, each deputy or first assistant, and each additional deputy, or assistant deputy, or assistant defined in paragraph (16);

(10) First deputy and deputy attorneys general, the administrative services manager of the department of the attorney general, one secretary for the administrative services manager, an administrator and any support staff for the criminal and juvenile justice resources coordination functions, and law clerks;

(11) (A) Teachers, principals, vice-principals, complex area superintendents, deputy and assistant superintendents, other certificated personnel, ~~and~~ no more than twenty noncertificated administrative, professional, and technical personnel not engaged in instructional work;

(B) Effective July 1, 2003, teaching assistants, educational assistants, bilingual/bicultural school-home assistants, school psychologists, psychological examiners, speech pathologists, athletic health care trainers, alternative school work study assistants, alternative school educational/supportive services specialists, alternative school project coordinators, and communications aides in the department of education;

(C) The special assistant to the state librarian and one secretary for the special assistant to the state librarian; and

(D) Members of the faculty of the University of Hawaii, including research workers, extension agents, personnel engaged in instructional work, and administrative, professional, and technical personnel of the university;

(12) Employees engaged in special, research, or demonstration projects approved by the governor;

(13) (A) Positions filled by inmates, patients of state institutions, ~~and~~ persons with severe physical or mental disabilities participating in the work experience training programs;

(B) Positions filled with students in accordance with guidelines for established state employment programs; and

(C) Positions that provide work experience training or temporary public service employment that are filled by persons entering the workforce or persons transitioning into other careers under programs such as the federal Workforce Investment Act of 1998, as amended, or the Senior Community Service Employment Program of the Employment and Training Administration of the United States Department of Labor, or under other similar state programs;

(14) A custodian or guide at Iolani Palace, the Royal Mausoleum, and Hulihee Palace;

(15) Positions filled by persons employed on a fee, contract, or piecework basis, who may lawfully perform their duties concurrently with their private business or profession or other private employment and whose duties require only a portion of their time, if it is impracticable to ascertain or anticipate the portion of time to be devoted to the service of the State;

(16) Positions of first deputies or first assistants of each department head appointed under or in the manner provided in section 6, article V, of the Hawaii State Constitution; three additional deputies or assistants either in charge of the highways, harbors, and airports divisions or other functions within the department of transportation as may be assigned by the director of transportation, with the approval of the governor; one additional deputy in the department of human services either in charge of welfare or other functions within the department as may be assigned by the director of human services; four additional deputies in the department of health, each in charge of one of the following: behavioral health, environmental health, hospitals, and health resources administration, including other functions within the department as may be assigned by the director of health, with the approval of the governor; two additional deputies in charge of the law enforcement programs, administration, or other functions within the department of law enforcement as may be assigned by the director of law enforcement, with the approval of the governor; three additional deputies each in charge of the correctional institutions, rehabilitation services and programs, and administration or other functions within the department of corrections and rehabilitation as may be assigned by the director ~~for~~of corrections and rehabilitation, with the approval of the governor; an administrative assistant to the state librarian; and an administrative assistant to the superintendent of education;

(17) Positions specifically exempted from this part by any other law; provided that:

(A) Any exemption created after July 1, 2014, shall expire three years after its enactment unless affirmatively extended by an act of the legislature; and

(B) All of the positions defined by paragraph (9) shall be included in the position classification plan;

(18) Positions in the state foster grandparent program and positions for temporary employment of senior citizens in occupations in which there is a severe personnel shortage or in special projects;

(19) Household employees at the official residence of the president of the University of Hawaii;

(20) Employees in the department of education engaged in the supervision of students during meal periods in the distribution, collection, and counting of meal tickets, and in the cleaning of classrooms after school hours on a less than half-time basis;

(21) Employees hired under the tenant hire program of the Hawaii public housing authority; provided that ~~not~~~~no~~ more than twenty-six per cent of the authority's workforce in any housing project maintained or operated by the authority shall be hired under the tenant hire program;

(22) Positions of the federally funded expanded food and nutrition program of the University of Hawaii that require the hiring of nutrition program assistants who live in the areas they serve;

(23) Positions filled by persons with severe disabilities who are certified by the state vocational rehabilitation office that they are able to perform safely the duties of the positions;

(24) The sheriff;

(25) A gender and other fairness coordinator hired by the judiciary;

(26) Positions in the Hawaii National Guard youth and adult education programs;

(27) In the ~~Hawaii~~ state energy office in the department of business, economic development, and tourism, all energy program managers, energy program specialists, energy program assistants, and energy analysts;

(28) Administrative appeals hearing officers in the department of human services;

(29) In the Med-QUEST division of the department of human services, the division administrator, finance officer, health care services branch administrator, medical director, and clinical standards administrator;

(30) In the director's office of the department of human services, the enterprise officer, information security and privacy compliance officer, security and privacy compliance engineer, security and privacy compliance analyst, information technology implementation manager, assistant information technology implementation manager, resource manager, community/project development director, policy director, special assistant to the director, and limited English proficiency project manager/coordinator;

(31) The Alzheimer's disease and related dementia services coordinator in the executive office on aging;

(32) In the Hawaii emergency management agency, the executive officer, public information officer, civil defense administrative officer, branch chiefs, and emergency operations center state warning point personnel; provided that for state warning point personnel, the director shall determine that recruitment through normal civil service recruitment procedures would result in delay or noncompliance;

(33) The executive director and seven full-time administrative positions of the school facilities authority;

(34) Positions in the Mauna Kea stewardship and oversight authority;

(35) In the office of homeland security of the department of law enforcement, the statewide interoperable communications coordinator; ~~and~~

(36) In the social services division of the department of human services, the business technology analyst[-]; and

(37) The ~~administrator of the~~ wildfire relief fund ~~corporation~~ administrator.

The director shall determine the applicability of this section to specific positions.

Nothing in this section shall be deemed to affect the civil service status of any incumbent as it existed on July 1, 1955."

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2024-2025 for deposit into the wildfire relief fund.

~~SECTION 5.~~ The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 5. On the operation date, as defined in section -1, Hawaii Revised Statutes, of section 2 of this Act, there is appropriated out of the general revenues of the State of Hawaii the sum of \$32.4 million or so much thereof as may be necessary for fiscal year 2024-2025 as a reserve against the pledge guarantee set forth in section -8(1), Hawaii Revised Statutes, of section 2 of this Act.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2024-2025 for the establishment of ~~one~~ one full-time equivalent (~~1.0~~ 1.0 FTE) administrator position, who shall be exempt from chapter 76, Hawaii Revised Statutes, to support the Hawaii wildfire relief fund corporation; provided that in all subsequent fiscal years, all funding for the administrator position shall be paid from the wildfire relief fund.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

~~SECTION 7.~~ ~~The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.~~

~~SECTION 6.~~ In accordance with section 9 of article VII of the Hawaii State Constitution and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the

appropriations contained in H.B. No. , will cause the state general fund expenditure ceiling for fiscal year 2024-2025 to be exceeded by \$ ~~-or-~~ per cent. In addition, the appropriation contained in this Act will cause the general fund expenditure ceiling for fiscal year 2024-2025 to be further exceeded by \$ ~~-or-~~ per cent. The combined total amount of general fund appropriations contained in only these two Acts will cause the state general fund expenditure ceiling for fiscal year 2024-2025 to be exceeded by \$ ~~-or-~~ per cent. The reasons for exceeding the general fund expenditure ceiling are that:

- (1) The appropriation made in this Act is necessary to serve the public interest; and
- (2) The appropriation made in this Act meets the needs addressed by this Act.

PART II

 SECTION ~~7~~8. The legislature finds that the risk of catastrophic wildfires has increased, making it imperative that electric utilities develop, implement, and administer effective plans for wildfire risk mitigation. Electric utilities should develop, implement, and administer wildfire protection plans, and, through a public process, the public utilities commission should review and approve such plans and the recovery of any related costs to implement the plans.

The legislature also finds that a resilience working group, convened throughout 2019 and 2020, sought to~~+~~

~~—(1) Identify~~ identify and prioritize resilience threat scenarios and potential grid impacts;

~~—(2) Identify~~ identify key customer and infrastructure sector capabilities and needs following a severe event and loss of power;

~~—(3) Identify~~ identify gaps and priorities in grid and customer capabilities following a severe event and loss of power;

~~—(4) Provide~~ provide recommendations and inputs for investor-owned utility grid planning to address resilience needs; and

~~—(5) Recommend~~ recommend additional grid and customer actions to close gaps and capabilities following severe events.

— The resilience working group identified wildfires as one of five types of severe events of utmost importance to consider for achieving a resilient grid and provided resilience options for utilities to consider.

The legislature further finds that securitization may be the most efficient, least ~~cost~~ costly way to finance wildfire risk mitigation costs and expenses. Utility rate securitization transactions have an extensive track record of success. Bonds securitized by the right to recover rates receive investment grade credit ratings from credit rating agencies and thus provide a means of securing capital at a lower interest rate than those currently available to utilities, in particular utilities without an investment grade credit rating.

The purpose of this ~~part~~Act is to ~~create~~ :

(1) Create a process whereby electric utilities develop and submit effective risk-~~based wildfire risk~~ protection plans to the public utilities commission for

approval, ~~and~~ the ~~public utilities~~ commission evaluates those plans and either approves them or does so with modifications; ~~the~~

(2) Create a process whereby electric utilities are able to timely recover the prudently incurred costs and expenses of developing, implementing, and ~~administrating those~~ administering wildfire protection plans, ~~and~~ ensure those costs and expenses are not borne disproportionately by any particular ~~ratepayer~~ consumer or county; ~~and~~

(3) Require public utilities to report wildfires caused by or occurring in connection with their operations.

SECTION ~~8~~9. Chapter 269, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART - . WILDFIRE PROTECTION AND MITIGATION

§269-A Definitions. As used in this part:

"Ancillary agreement" means a bond insurance policy, letter of credit, reserve account, surety bond, swap arrangement, hedging arrangement, liquidity or credit support arrangement, or other similar agreement or arrangement entered into in connection with the issuance of bonds that is designed to promote the credit quality and marketability of the recovery bonds or to mitigate the risk of an increase in interest rates.

"Assignee" means a legally recognized entity:

(1) To which an electric utility ~~company~~ assigns, sells, or transfers, other than as security, all or a portion of ~~its~~ the electric utility's interest in or right to wildfire protection property; or

(2) Who acquires, by way of assignment or otherwise, all or a portion of the wildfire protection property following the exercise of remedies upon a default under the terms of the bonds.

"Assignee" includes a corporation, limited liability company, general partnership or limited partnership, public authority, trust, financing entity, or any other legal entity to which an assignee assigns, sells, or transfers, other than as security, its interest in or right to wildfire protection property.

"Bond" means any bond, note, certificate of participation or beneficial interest, or other evidence of indebtedness or ownership that is issued by the financing entity under a financing order, the proceeds of which are used directly or indirectly to recover, finance, or refinance financing costs of any wildfire protection costs, and that are directly or indirectly secured by or payable from wildfire protection property.

"Catastrophic wildfire" means any wildfire in the State that damaged or destroyed more than five hundred commercial buildings structures or residential structures designed for habitation.

"Commission" means the public utilities commission.

"Consumer" means any individual, governmental body, trust, business entity, or nonprofit organization that consumes electricity that has been transmitted or distributed by means of electric transmission or distribution facilities, whether those electric transmission or distribution facilities are owned by the consumer, the electric utility, or any other party.

"Electric utility" means a public utility, as defined in 14 HRS section 269-1, that is an electric utility company that is

engaged in the production, transmission, or distribution of electricity.

"Financing costs" means the costs to issue, service, repay, or refinance bonds, whether incurred or paid upon issuance of the bonds or over the life of the bonds, if they are approved for recovery by the commission in a financing order. "Financing costs" may include any of the following:

- (1) Principal, interest, and redemption premiums that are payable on bonds;
- (2) A payment required under an ancillary agreement;
- (3) An amount required to fund or replenish reserve accounts or other accounts established under an indenture, ancillary agreement, or other financing document related to the bonds;
- (4) Taxes, franchise fees, or license fees imposed on a financing entity as a result of the issuance of the financing order, the assignment, sale or transfer of any wildfire protection property or the sale of the bonds or imposed on the wildfire protection charges, or otherwise resulting from the collection of the ~~charges~~ wildfire protection charge, in any such case whether paid, payable, or accrued;
- (5) Costs related to issuing and servicing bonds or the application for a financing order, including without limitation servicing fees and expenses, trustee fees and expenses, legal fees and expenses, accounting fees, administrative fees, underwriting and placement fees, financial advisory fees, original issue discount, capitalized interest, rating agency fees, and any other related costs that are approved for recovery in the financing order; and
- (6) Other costs as specifically authorized by a financing order.

"Financing entity" means an electric utility ~~and~~ or an entity to which an electric utility or an affiliate of an electric utility sells, assigns, or pledges all or a portion of the electric utility's ~~or its affiliate's~~ interest in ~~wildfire~~

~~protection~~recovery property, including an ~~an~~ affiliate of the electric utility or any unaffiliated entity, in each case as approved by the commission in a financing order.

For purposes of this ~~purpose,~~definition and subject to section 269-~~D~~I(c), an entity to which an electric utility ~~or its affiliate~~ sells, assigns, or pledges all or a portion of the electric utility's interest in ~~wildfire protection~~recovery property may include any governmental entity that is able to issue recovery bonds that are exempt from federal tax pursuant to section 103 of the Internal Revenue Code of 1986, as amended, including the State or a political subdivision thereof or any department, agency, or instrumentality of the ~~foregoing~~State or political subdivision; provided that the recovery bonds issued ~~thereby~~ shall not constitute a ~~debt or liability~~general obligation of the State or any political subdivision thereof or any department, agency, or instrumentality ~~thereof~~of the State or political subdivision and shall not constitute a pledge of the full faith and credit of the entity or of the State or any political subdivision thereof, but shall be payable solely from the funds provided under this ~~chapter~~part.

"Financing order" means an order of the commission under this part that has become final and no longer subject to appeal as provided by law, and that authorizes the issuance of recovery bonds and the imposition, adjustment from time to time, and collection of ~~wildfire protection~~recovery charges. ~~"Financing order" includes without limitation,~~ and which shall include a procedure to require the expeditious approval by the commission

of periodic adjustments to wildfire protection charges and any associated fixed recovery tax amounts included in that financing order to ensure recovery of all wildfire protection costs and the costs associated with the proposed recovery, financing, or refinancing thereof, including the costs of servicing and retiring the bonds contemplated by the financing order.

"Financing party" means any holder of recovery bonds, any party to or beneficiary of an ancillary agreement, and any trustee, collateral agent, or other person acting for the benefit of any of the foregoing.

"Fixed recovery tax amounts" means those nonbypassable rates and other charges, including but not limited to distribution, connection, disconnection, and termination rates and charges, that are needed to recover federal and state taxes associated with wildfire protection charges authorized by the commission in a financing order, but are not approved as financing costs financed from proceeds of bonds.

"True-up adjustment" means a formulaic adjustment to the wildfire protection charges as they appear on consumer bills that is necessary to correct for any overcollection or undercollection of the wildfire protection charges authorized by a financing order and to otherwise ensure the timely and complete payment and recovery of wildfire protection costs over the authorized repayment term.

"Wildfire protection charges" means ~~the nonbypassable charges,~~ including but not limited to distribution, connection, disconnection, and termination rates and charges, that are

authorized by section 269-~~FE~~ and in a financing order authorized under this part to be imposed on and collected from all existing and future consumers of a financing entity or any successor to recover both of the following:

- (1) ~~Wildfire protection~~Financing costs specified in the financing order; and
- (2) The costs of recovering, financing, or refinancing wildfire protection costs ~~through a plan~~ approved by the commission in the financing order, including the costs of issuing, servicing and retiring bonds.

"Wildfire protection costs" means any capital costs and operation and maintenance expenses related to the development, implementation, and administration of a wildfire protection plan prepared pursuant to section 269-C(a), ~~but, for the avoidance of doubt, shall not include any amounts, including, without limitation, fees, costs, and awards, payable in connection with any legal claims made in any way related to any wildfire.~~ "Wildfire protection costs" does not include any penalties levied against an electric utility pursuant to section 269-D. "Wildfire protection costs" may also include any of the following:

- (1) Catastrophic wildfire costs or expenses, ~~other than amounts, for the avoidance of doubt, payable in connection with any legal claims made in any way related to any wildfire, that~~ authorized by the commission ~~has determined were prudently incurred, including but not limited to costs or expenses that have been paid that the electric utility has~~ in a legal obligation to pay or that the electric utility ~~would be otherwise obligated to pay~~ financing order for recovery;
- (2) Federal and state taxes associated with recovery of the amounts pursuant to paragraph (1);
- (3) Financing costs; and

(4) Professional fees, consultant fees, redemption premiums, tender premiums, and other costs incurred by the electric utility in using proceeds of bonds to acquire outstanding securities of the electric utility, as authorized by the commission in a financing order.

"Wildfire protection plan" means the risk-based wildfire protection plan mandated by section 269-C~~(a)~~ and approved by the commission.

"Wildfire protection property" means the property right created pursuant to this part, including without limitation the right, title, and interest of the ~~public~~electric utility, financing entity, or its assignee:

(1) In and to the wildfire protection charge established pursuant to a financing order, including the right to impose, bill, collect, and receive ~~fixed recovery~~such wildfire protection charges under the financing order and all rights to obtain adjustments to the wildfire protection charge in accordance with section 269-F and the financing order; and

(2) To be paid the amount that is determined in a financing order to be the amount that the ~~public~~electric utility or its assignee is lawfully entitled to receive pursuant to this part and the proceeds thereof, and in and to all revenues, collections, claims, payments, moneys, or proceeds of, or arising from, the wildfire protection charge that is the subject of a financing order.

"Wildfire protection property" does not include a right to be paid fixed recovery tax amounts. "Wildfire protection property" shall constitute a current property right, notwithstanding the fact that the value of the property right will depend on consumers using electricity or, in those instances where consumers are customers of the ~~public~~electric utility, the ~~public~~electric utility performing certain services.

§269-B Electric utility workshops. The commission may periodically convene workshops to help electric utilities develop and share information for the identification, adoption, and implementation of best practices regarding wildfires, including but not limited to risk-based wildfire protection and risk-based wildfire mitigation procedures and standards. The best practices discussed in these workshops may be incorporated into the proposed wildfire protection plans and updates submitted for the approval of the commission pursuant to section 269-C.

§269-C Wildfire protection plans. (a) Each electric utility shall have and operate in compliance with a risk-based wildfire protection plan, which shall be ~~submitted to~~ filed with and evaluated by the commission ~~for approval.~~ The ~~risk-based~~ wildfire protection plan shall be based on reasonable and prudent practices ~~that,~~ which may be ~~determined by~~ identified through workshops convened by the commission pursuant to section 269-B, regulatory proceedings conducted by the commission, and commission standards adopted by decisionrule or ruleorder. The electric utility shall design the ~~risk-based~~ wildfire protection plan to protect public safety, reduce risk to electric utility customers, and promote resilience of the Hawaii electric system to wildfire damage. Each electric utility's wildfire protection plan shall, at a minimum:

- (1) Account for the responsibilities of persons responsible for executing the wildfire protection plan;
- (2) Describe the objectives of the wildfire protection plan;

(3) Identify areas that are subject to a heightened risk of wildfire and are:

- (A) Within the right of way or legal control or ownership of the electric utility; and
- (B) Outside the right of way or legal control or ownership of the electric utility but within a reasonable distance, as determined by the commission, of the electric utility's generation or transmission assets;

(4) Identify a means for mitigating wildfire risk that reflects a reasonable balancing of mitigation costs ~~with the resulting~~ continuity of reliable service, and reduction of wildfire risk;

(5) Identify preventive actions and programs that the electric utility shall carry out to minimize the risk of electric utility facilities causing ~~wildfire~~ wildfires;

(6) Identify the metrics the electric utility ~~plans~~ intends to use to evaluate the wildfire protection plan's performance and the assumptions that underlie the use of those metrics;

(7) Describe how the application of previously identified metrics to previous wildfire protection plan performances has informed the wildfire protection plan;

(8) After seeking information from state and local entities, identify a protocol for the deenergizing of power lines and adjusting of power system operations to mitigate wildfires, promote the safety of the public and first responders, and preserve health and ~~communication~~ telecommunications infrastructure;

(9) Describe appropriate and feasible procedures for notifying a customer who may be impacted by the deenergizing of ~~electrical~~ power lines. The procedures shall consider the need to notify, as a priority, critical first responders, health care facilities, operators of wastewater and water delivery infrastructure, and operators of telecommunications infrastructure;

(10) Describe the procedures, standards, and time frames that the electric utility shall use to inspect electric utility infrastructure in areas that the electric utility identifies under paragraph (3), including whether those procedures, standards, and

time-frames are already set forth in the electric utility's existing plans or protocols and in coordination with any relevant entities;

(11) Describe the procedures, standards, and time frames that the electric utility will use to carry out vegetation management in areas that the electric utility identifies under paragraph (3), including whether those procedures, standards, and time frames are already set forth in the electric utility's existing plans or protocols and in coordination with any relevant entities;

(12) Include a list that identifies, describes, and prioritizes ~~all~~ wildfire risks, and drivers for those risks, throughout the electric utility's service territory. ~~The list shall include but not, including all relevant risk and risk mitigation information as may be limited to~~ required by guidance or rules adopted by the following: commission;

~~(A) Risks and risk drivers associated with design, construction, operation, and maintenance of the electric utility's equipment and facilities; and~~

~~(B) Particular risks and risk drivers associated with topographic and climatological risk factors throughout the different parts of the electric utility's service territory;~~

(13) Describe how the wildfire protection plan accounts for ~~the wildfire risk identified in the electric utility's risk assessment;~~

~~(14) Describe the actions risks the electric utility will take to ensure its system will achieve the highest level of safety, reliability, and resiliency, and to ensure that its system is prepared for a wildfire, including hardening and modernizing its infrastructure with improved engineering, system design, standards, equipment, and facilities, including but not limited to undergrounding lines, insulation of distribution wires, and pole replacement; identifies under paragraph (12);~~

~~(15) Demonstrate~~ 14) Include a showing that the electric utility has an adequately sized and trained workforce to promptly restore service after a wildfire, taking into account employees of other utilities pursuant to mutual aid agreements and employees of entities that have entered into contracts with the electric utility;

(1615) Identify the estimated development, implementation, and administration costs for the ~~risk-based~~ wildfire protection plan;

(1716) Identify the timelines, as applicable, for development, implementation, and administration of any aspects of the ~~risk-based~~ wildfire protection plan;

(1817) Describe how the wildfire protection plan is consistent with the electric utility's other hazard mitigation and grid hardening plans, including plans to prepare for, and to restore service after, a wildfire, including workforce mobilization and repositioning equipment and employees;

(1918) Identify community outreach and public awareness efforts that the electric utility will use before, during, and after a wildfire;

(2019) Describe the processes and procedures the electric utility will use to do all of the following:

(A) Monitor and audit the implementation of the wildfire protection plan;

(B) ~~Identify any deficiencies in~~ Monitor the effectiveness of the wildfire protection plan ~~or~~ and the wildfire protection plan's implementation and ~~correct those deficiencies~~ identify areas for improvement; and

(C) Monitor and audit the effectiveness of electrical line and equipment inspections, including inspections performed by contractors, carried out under the wildfire protection plan and other applicable statutes and rules of the commission;

(2120) Demonstrate elements of data governance, including enterprise systems; ~~and~~, as may be required by guidance or rules adopted by the commission;

(22) ~~Any~~ 21 Include any modifications to paragraphs (1) ~~through (21), or other~~ to (20); and

(22) Other information as required by the commission.

(b) Each electric utility shall regularly ~~submit updates to~~ update its ~~risk based~~ wildfire protection plan ~~for approval~~ on a schedule determined by the commission.

(c) To develop the ~~risk based~~ wildfire protection plan, the electric utility may consult with and consider information from federal, state, local, and other expert entities.

(d) The commission ~~shall evaluate each electric utility's risk based wildfire protection plan and plan updates according to the commission's rules of practice and procedure, in chapter 16-601, Hawaii Administrative Rules. The commission shall authorize~~ consultation with the department of land and natural resources, Hawaii emergency management agency, and local emergency services agencies ~~to participate in proceedings evaluating risk based,~~ shall evaluate each electric utility's wildfire protection ~~plans~~ plan and plan updates through a public process.

(e) ~~Not~~ No more than ninety days after the last party filing, and ~~not~~ no more than a total of one hundred ~~twenty~~ eighty days after the initial ~~application for approval of the submitted risk-based~~ filing in the docket or non-docketed case related to the commission's evaluation of a wildfire protection plan or plan update ~~in the docketed proceeding~~ from an electric utility, the commission shall approve, or approve with conditions, ~~or reject~~ the wildfire protection plan or plan update ~~based on whether~~ if the commission finds that the wildfire protection plan or plan

update is based on reasonable and prudent practices and designed to meet all applicable rules and standards adopted by the commission. The commission may, in approving the wildfire protection plan or plan update with conditions, direct the electric utility to make modifications to the wildfire protection plan or ~~updates~~plan update that the commission believes represent a reasonable balancing of mitigation costs with the resulting reduction of wildfire risk based on the ~~evidentiary record in the proceeding. The commission shall issue a decision explaining its determination, including findings of fact and conclusions of law, in accordance with chapter 91~~information provided by the electric utility and based on best practices. The commission shall issue a decision explaining any such directed modifications at the time the commission approves the wildfire protection plan or plan update. Such decision shall include a determination of the reasonable costs to develop, implement and administer the wildfire protection plan or plan update. The commission shall establish a mechanism to allow timely and prompt recovery of such costs in rates, which shall be incremental to the rates the electric utility is otherwise authorized to charge.

(f) The electric utility shall track the costs that it actually incurs to develop, implement, and administer the ~~risk-based~~ wildfire protection plan. In the electric utility's ~~risk-based~~ wildfire protection plan update, the electric utility shall

report on the costs as actually incurred for the most recent past period for which the information is available.

If the actual costs are less than the amounts that the commission determined were reasonable in its decision under subsection (e), the commission shall direct the electric utility to refund or credit the costs to consumers; provided that any such refund or credit to consumers shall not affect, alter, or impair the value of the wildfire protection property, wildfire protection charges, or any bonds secured by wildfire protection property.

If the actual costs are equal to or greater than the amounts that the commission determined were reasonable in its decision under subsection (e), the commission shall not direct the electric utility to refund to ratepayers the amount the commission previously determined was reasonable ~~and shall limit its review to any additional costs, which it shall allow~~but may disallow the ~~electric utility to recover~~recovery from ratepayers ~~if of any additional costs~~ the commission finds ~~the costs~~ unreasonable.-

(g) ~~The commission's approval of a risk-based wildfire protection plan does not by itself establish a defense to any enforcement action for violation of a commission decision, order, or rule.~~

— The commission shall, as appropriate, adopt rules or issue orders for the implementation of this section. The rules or orders may include but need not be limited to procedures and standards regarding data governance, risk-based decision-making,

vegetation management, public power safety shutoffs and restorations, pole materials, circuitry, and monitoring systems.

~~(i) In its decision pursuant to subsection (c), the commission shall determine the reasonable costs to develop, implement, and administer the plan and shall authorize the electric utility to recover the costs in rates. The commission shall establish a method to authorize timely and prompt recovery of the wildfire protection costs. The commission shall establish rules for the electric utility to track actual wildfire protection costs and for the commission to authorize, as applicable, refunds or credits to ratepayers where actual wildfire protection costs are ultimately less than those the commission determined reasonable and authorized for rate recovery, provided that any such refund or credit to consumers shall not affect, alter, or impair the value of the wildfire protection property, wildfire protection charges, or any bonds secured by wildfire protection property. To the degree actual wildfire protection costs exceed those the commission determined were reasonable and authorized for rate recovery, the commission shall authorize cost recovery in the event that it determines those additional wildfire protection costs are just and reasonable. The method established may include the issuance of bonds under section 269 D.~~

(j) Unless an electric utility acts in a manner that constitutes willful misconduct, bad faith, or reckless disregard of its obligations, in each case, in compliance with ~~its obligations under a financing order and~~ any applicable wildfire protection

plan, no electric utility shall be civilly liable for the death of or injury to persons, or property damage, as a result of:

(1) Any act taken in accordance with a wildfire protection plan or ~~updated~~-plan update approved by the commission under this part; or

(2) Any failure to take an action proposed by an electric utility in a wildfire protection plan or ~~updated~~-plan update and thereafter removed from the wildfire protection plan or plan update by modification of the commission.

(~~h~~) There shall be no liability on the part of, and no cause of action of any nature shall arise against, the commission or its agents and employees, the State, the commission commissioners, or the commissioners' representatives for the death of or injury to persons, or property damage, for any action taken by such in the performance of their powers and duties under this part.

§269-D Penalties. (a) In addition to any other penalties provided by law, a failure by an electric utility to comply with an approved wildfire protection plan or part of an approved wildfire protection plan shall be subject to a civil penalty, as determined by the commission. Imposition of penalties pursuant to this section shall otherwise be in accordance with section 269-28 and all applicable administrative rules. All moneys collected under this section shall be deposited into the public utilities commission special fund. The commission shall utilize performance based regulation to develop financial penalties and incentives tied to compliance with and performance under an approved wildfire protection plan.

(b) Any determination by the commission that the electric utility materially failed to comply with an approved wildfire protection plan—or part of an approved wildfire protection plan, and any imposition of a civil penalty, ~~shall~~will be inadmissible in any lawsuit or other action against the electric utility seeking compensation for the alleged death of or injury to persons, or property damage. In any action seeking to hold an electric utility civilly liable for the death of or injury to persons, or property damage, no inference of liability may be drawn solely based on a failure by the electric utility to adhere to the requirements of an approved wildfire protection plan.

§269-DE Applications to issue bonds and authorize wildfire protection charges. (a) An electric utility may apply to the commission for one or more financing orders to issue bonds to recover any wildfire protection costs, each of which authorizes the following:

(1) The imposition, charging, and collection of a wildfire protection charge, to become effective upon the issuance of the bonds, and an adjustment of any such wildfire protection charge in accordance with a true-up adjustment mechanism under this part in amounts sufficient to pay the principal of and interest on the bonds and all other associated financing costs on a timely basis;

(2) The creation of wildfire protection property under the financing order; and

(3) The imposition, charging, and collection of fixed recovery tax amounts to recover any portion of the ~~public~~electric utility's federal and state taxes associated with those wildfire protection charges and not financed from the proceeds of bonds.

(b) The application shall include all of the following:

- (1) The wildfire protection costs to be financed through the issuance of bonds;
- ~~— (2) —~~ The principal amount of the bonds proposed to be issued and the selection of a financing entity;
- (3) An estimate of the date each series of bonds is expected to be issued;
- (4) The scheduled final payment date, which may not ~~to~~ exceed thirty years, and a legal final maturity date, which may be longer, subject to rating agency and market considerations, during which term the wildfire protection charge associated with the issuance of each series of bonds is expected to be imposed and collected;
- (5) An estimate of the financing costs associated with the issuance of each series of bonds;
- (6) An estimate of the amount of the wildfire protection charge revenues necessary to pay principal and interest on the bonds and all other associated financing costs as set forth in the application and the calculation for that estimate;
- (7) A proposed design of the wildfire protection ~~charge~~ charges, and ~~the~~ a proposed methodology for allocating the wildfire protection charge among ~~consumer~~ customer classes within the electric ~~utility's~~ utility's service territory;
- (8) A description of the financing entity selected by the electric utility;
- ~~— (9) —~~ A description of a proposed true-up adjustment mechanism for the adjustment of the wildfire protection charge to correct for any overcollection or undercollection of the wildfire protection charge, and to otherwise ensure the timely payment of principal and interest on the bonds and all other associated financing costs; and
- (10) Any other information required by the commission.

~~— (c) At the option of the electric utility, the~~ Affiliated utilities

(1) An electric utility may ~~include in its file an~~ application for a financing order, including as a ~~request for authorization to sell, transfer, assign, joint application with one~~ or ~~pledge wildfire protection property to a governmental financing entity if it expects~~

~~bonds issued by a governmental financing entity would result in a more cost efficient means, taking into account all financing costs related to such bonds, than using another financing entity~~affiliate electric utilities, to issue bonds to finance the same~~recover wildfire protection costs. Such an application shall include a description of (i) the total amount wildfire protection costs, taking into account the~~to be recovered, (ii) how the wildfire protection charges will be allocated among the applicant electric utilities in a manner that is equitable and that need not correspond to the incurrence of wildfire protection costs ~~of issuing such other financing entity's bonds. If a public~~by each electric utility, and (iii) whether and how the consumers of any of the applicant electric utilities shall be responsible for the payment of wildfire protection charges allocated to consumers of affiliate electric utilities.

(2) In the alternative, an electric utility ~~exercises such option, the commission may hire a financial advisor in~~apply for a financing order to issue bonds to recover wildfire protection costs, including wildfire protection costs incurred, or to be incurred, by the applicant and one or more of its affiliate electric utilities. In connection with the issuance of a financing order pursuant this subsection, the commission shall issue a concurrent order to the affiliate electric utility or electric utilities directing such affiliate electric utility or electric utilities impose rates on its~~review, upon which it may rely~~or their consumers designed to generate revenue sufficient to pay credits over the life of the bonds to the applicant electric utility in such amount as the commission determines

is equitable, just and reasonable. Such an application shall describe the allocation method and adjustment mechanism for the affiliate utility credit payments proposed to be subject to such concurrent commission order.

(d) The commission shall issue an approval or denial of any application for a financing order filed pursuant to this section within one hundred twenty days of the filing of the application.

(e) In exercising its duties under this section, the commission shall consider:

(1) Whether the wildfire protection costs to be financed by any bonds to be issued are just and reasonable;

(2) Whether the recovery of such costs ~~are~~is consistent with the public interest;

~~— (3) —~~ Whether the structuring, marketing, and pricing of the bonds are expected to result in the lowest wildfire protection charges consistent with market conditions at the time the bonds are priced and the terms of the financing order;

(4) Whether the terms and conditions of any bonds to be issued are just and reasonable; ~~(4) Whether the terms and conditions of any bonds to be issued are just and reasonable; and~~

~~— (5) Whether the issuance of the bonds would be beneficial, including by avoiding or significantly mitigating abrupt and significant increases in rates to consumers for the applicable time period in the absence of the bonds.~~

~~— (f) —~~

(5) Whether the recovery of recovery costs through the designation of the fixed recovery charges and any associated fixed recovery tax amounts, and the issuance of recovery bonds in connection with the fixed recovery charges, would result in net savings to consumers and reduce, to the maximum extent possible, the rates on a present value basis that consumers would pay as compared to the use of traditional

utility financing mechanisms, which shall be calculated using the electric utility's updated overall corporate debt and equity costs in the ratio approved by the commission at the time of the financing order; provided that the commission may hire and rely upon a financial advisor in connection with this determination; provided that the financial advisor shall not direct how the recovery bonds are placed to market; and

(65) Any other factors that the commission deems reasonable and in the public interest.

The electric utility may request the determination specified in this section by the commission in a separate proceeding, in an existing proceeding, or both. If the commission makes the determination specified in this section, the commission shall establish, as part of the financing order, a procedure for the electric utility to submit applications from time to time to request the issuance of additional financing orders designating wildfire protection charges and any associated fixed recovery tax amounts as recoverable. The electric utility may submit an application with respect to wildfire protection costs that an electric utility has paid, has an existing legal obligation to pay, or would be obligated to pay pursuant to an agreement. The commission shall, within one hundred twenty days of the filing of that application, issue a financing order, if the commission determines that the amounts identified in the application are wildfire protection costs.

At the option of the electric utility, the electric utility may include in its application for a financing order a request for authorization to sell, transfer, assign, or pledge recovery property to a governmental entity if the electric utility expects recovery bonds issued by a governmental entity would

result in a more cost efficient means, taking into account all financing costs related to the recovery bonds, than using another financing entity to issue recovery bonds to finance the same recovery costs, taking into account the costs of issuing the other financing entity's bonds. If an electric utility exercises this option, the commission may hire and rely upon a financial advisor in connection with the commission's review; provided that the financial advisor shall not direct how the recovery bonds are placed to market.

(f) The commission shall not issue a financing order to the extent that the aggregate amount of all wildfire protection charges under all financing orders previously issued under this part, combined with any new wildfire protection charges to be authorized pursuant the requested new financing order, constitute more than five percent of the average residential customer bill, including the aggregate wildfire protection charges across affiliated utilities and taking account of any credits from affiliate utilities, calculated at the time of an application for new financing order under this chapter. This provision shall not affect any financing order previously issued under this part.

(g) Wildfire protection charges and any associated fixed recovery tax amounts shall be imposed only on existing and future- consumers ~~within~~ the utility service territory ~~who-~~ Consumers within the utility service territory of the electric utility that is subject to the financing order shall continue to pay wildfire protection charges and any associated

fixed recovery tax amounts until the bonds and associated financing costs are paid in full by the financing entity or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, until the receipt of proceeds by ~~such~~the assignee in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding.

§269-~~E~~-F Wildfire protection plan financing order.—

(a)— A financing order shall remain in effect until the bonds issued under the financing order and all financing costs related to the bonds have been paid in full or defeased by their terms or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, until the receipt of proceeds by such assignee in an amount sufficient to repay principal and interest on the bonds and associated financing costs that would have accrued had they remained outstanding.—

A financing order shall remain in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the electric utility or the commencement of any judicial or nonjudicial proceeding on the financing order.

~~(b)~~ _____

(b±) Notwithstanding any other law, and except as otherwise provided in section 269-C(e), with respect to wildfire protection property that has been made the basis for the issuance of bonds and with respect to any associated fixed recovery tax amounts, the financing order, the wildfire protection charges, and any associated fixed recovery tax amounts shall be irrevocable. The State and its agencies, including the commission, pledge and agree with bondholders, the owners and assignees of the wildfire protection property, and other financing parties that the State and its agencies will not take any action listed in this subsection. This subsection ~~does~~shall not preclude ~~limitation or alteration~~an action if ~~full compensation is made by law for~~such action would not adversely impact the ~~full protection interests~~of the electric utility and of assignees of the wildfire protection property ~~collected pursuant to a financing order and of the bondholders and any assignee or financing party entering into a contract with the electric utility.~~—. The ~~following~~prohibited actions shall be ~~prohibited~~the following:

(1) ~~Altering~~Alter the provisions of this part ~~that, which~~ authorize the commission to create an irrevocable contract right or ~~choosing~~chose in action by the issuance of a financing order, to create wildfire protection property, and make the wildfire protection charges imposed by a financing order irrevocable, binding, nonbypassable charges for all existing and future consumers;

(2) ~~Taking~~Take or ~~permitting~~permit any action that impairs or would impair the value of wildfire protection property or the security for the bonds or ~~revises~~revise the wildfire protection costs for which recovery is authorized;

(3) In any way ~~impairing~~impair the rights and remedies of the bondholders, assignees, and other financing parties;

(4) Except for changes made pursuant to the formula-based true-up mechanism authorized under subsection (~~d~~), ~~reducing, altering~~n), reduce, alter, or ~~impairing~~impair wildfire protection charges that are to be imposed, billed, charged, collected, and remitted for the benefit of the bondholders, any assignee, and any other financing parties until any and all principal, interest, premium, financing costs, and other fees, expenses, or charges incurred, and any contracts to be performed, in connection with the related bonds have been paid and performed in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, until the receipt of proceeds by such assignee in an amount sufficient to repay principal and interest on the bonds that would have accrued had they remained outstanding.

— The financing entity is authorized to include this pledge in the bonds.

(~~ecm~~) Under a ~~final~~ financing order, the electric utility shall retain sole discretion to select the financing entity and to cause bonds to be issued, including the right to defer or postpone the issuance, assignment, sale, or transfer of ~~—~~ wildfire protection property. — The commission shall not impose any penalty, disallowance, or other negative consequence on the electric utility in respect of its exercise of such discretion.

— (~~d~~) — (~~dn~~) The public utilities commission may create, pursuant to an application from an electric utility, a nonbypassable ~~surecharge~~charge referred to as a wildfire protection charge, which shall be applied to recover financing costs and wildfire protection costs. — The wildfire protection charge shall be a dedicated, discrete tariff rider. — The commission shall, in any financing order, establish a procedure for periodic true-up adjustments to wildfire protection charges, which shall be made at least annually and may be made more

frequently.—_Within thirty days after receiving an electric ~~utility's~~utility's filing of a true-up adjustment, the ~~commission's~~public utilities commission's review of the filing shall be limited to mathematical or clerical errors as determined in accordance with any true-up adjustment formulas set forth in the applicable financing order.—_The public utilities commission shall either approve the filing or inform the electric utility of any mathematical or clerical errors in its calculation.—_If the commission informs the electric utility of mathematical or clerical errors in its calculation, the electric utility shall correct its error and refile its true-up adjustment.—_The timeframes previously described in this subsection shall apply to a refiled true-up adjustment.

~~(e)~~ (em) Neither financing orders nor bonds issued under this part shall constitute a general obligation of the State or of any political subdivision thereof, nor shall they constitute a pledge of the full faith and credit of the State or any of its political subdivisions, but shall be payable solely from the wildfire protection property provided under this part. All bonds shall contain on the face thereof a statement to the following effect: "Neither the full faith and credit nor the taxing power of the State of Hawaii is pledged to the payment of the principal of, or interest and premium on, this bond."

The issuance of bonds under this part shall not directly, indirectly, or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment.

~~(f)~~ Wildfire protection charges are wildfire protection property when, and to the extent that, a financing order authorizing the wildfire protection charges has become effective in accordance with this part, and the wildfire protection property shall thereafter continuously exist as property for all purposes, and all of the rights and privileges relating to that property shall continuously exist for the period and to the extent provided in the financing order, but in any event until the bonds are paid in full, including all principal~~;~~ premiums, if any~~;~~ interest with respect to the bonds, and all other financing costs are paid in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, until the receipt by such assignee of proceeds in an amount sufficient to repay ~~the principal amount of,~~ and, interest on the bonds and associated financing costs that would have accrued on, the bonds had they remained outstanding. A financing order may provide that the creation of wildfire protection property shall be simultaneous with the sale of the wildfire protection property to an assignee as provided in the application of the pledge of the wildfire protection property to secure the bonds.

~~(g)~~ Any successor to a financing entity shall be bound by the requirements of this ~~chapter~~part and shall perform and satisfy all obligations of, and have the same rights under a financing order as, and to the same extent as, the financing entity.

~~(g) Neither financing orders nor bonds issued under this part shall constitute a debt or liability of the State or of any political subdivision thereof, nor shall they constitute a pledge of the full faith and credit of the State or any of its political subdivisions, but are payable solely from the funds provided therefor under this part. All bonds shall contain on the face thereof a statement to the following effect: "Neither the full faith and credit nor the taxing power of the State of Hawaii is pledged to the payment of the principal of, or interest on, this bond."~~

~~(h) The issuance of bonds under this part shall not directly, indirectly, or contingently obligate the State or any political subdivision thereof to levy or pledge any form of taxation or to make any appropriation for their payment.~~

~~(i) §269-G Bonds; issuance; wildfire protection property interests. (a) The electric utility may sell and assign all or portions of its interest in wildfire protection property to one or more financing entities that make that wildfire protection property the basis for issuance of bonds, to the extent approved in a financing order. The electric utility or financing entity may pledge wildfire protection property as collateral, directly or indirectly, for bonds to the extent approved in the pertinent financing orders providing for a security interest in the wildfire protection property, in the manner set forth in this section. In addition, wildfire protection property may be sold or assigned by either of the following:~~

(1) The financing entity or a trustee for the holders of bonds or the holders of an ancillary agreement in connection with the exercise of remedies upon a default under the terms of the recovery bonds; or

(2) Any person acquiring the wildfire protection property after a sale or assignment pursuant to this chapter.

(b) To the extent that any interest in wildfire protection property is sold, assigned, or is pledged as collateral pursuant to subsection (ab), the commission shall ~~require~~authorize the ~~public~~electric utility to contract with the financing entity ~~and~~or its assignees that it will continue to operate its system to provide service to consumers within its service territory, will collect amounts in respect of the wildfire protection charges for the benefit and account of the financing entity ~~and~~or its assignees, and will account for and remit these amounts to or for the account of the financing entity or its assignees. Contracting with the financing entity ~~and~~or its assignees in accordance with that authorization shall not impair or negate the characterization of the sale, assignment, or pledge as an absolute transfer, a true sale, or a security interest, as applicable. To the extent that billing, collection, and other related services with respect to the provision of the ~~public~~electric utility's services are provided to a consumer by any person or entity other than the ~~public~~electric utility in whose service territory the consumer is located, that person or entity shall collect the wildfire protection charges and any associated fixed recovery tax amounts from the consumer for the benefit and account of the

~~public~~electric utility, financing entity, or assignees with the associated revenues remitted solely for such person's benefit as a condition to the provision of electric service to that consumer. Each financing order shall impose terms and conditions, consistent with the purposes and objectives of this ~~chapter~~part, on any person or entity responsible for billing, collection, and other related services, including without limitation collection of the wildfire protection charges and any associated fixed recovery tax amounts, that are the subject of the financing order.

(~~j~~c) The financing entity may issue bonds upon approval by the commission in a financing order. Bonds shall be nonrecourse to the credit or any assets of the ~~public~~electric utility, other than the wildfire protection property as specified in that financing order.

(~~k~~d) Wildfire protection property that is specified in a financing order shall constitute an existing, present property right, notwithstanding the fact that the imposition and collection of wildfire protection charges depend on the electric utility continuing to provide services or continuing to perform its servicing functions relating to the collection of wildfire protection charges or on the level of future service consumption, ~~including~~e.g., electricity consumption. Wildfire protection property shall exist whether or not the wildfire protection charges have been billed, have accrued, or have been collected and notwithstanding the fact that the value for a security interest in the wildfire protection property, or amount

of the wildfire protection property, is dependent on the future provision of service to consumers. All wildfire protection property specified in a financing order shall continue to exist until the bonds issued pursuant to a financing order and all associated financing costs are paid in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, until the receipt by such assignee of proceeds in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding.

(~~l~~e) Wildfire protection property, wildfire protection charges, and the interests of an assignee, bondholder, or financing entity, or any pledgee in wildfire protection property and wildfire protection charges shall not be subject to setoff, counterclaim, surcharge, recoupment, or defense by the electric utility or any other person or in connection with the bankruptcy, reorganization, or other insolvency proceeding of the electric utility, any affiliate of the electric utility, or any other entity.

(~~m~~f) Notwithstanding any other law to the contrary, any requirement under this ~~part~~chapter or a financing order that the public utilities commission takes action with respect to the subject matter of a financing order shall be binding upon the commission, as it may be constituted from time to time, and any successor agency exercising functions similar to the commission,

and the commission shall have no authority to rescind, alter, or amend that requirement in a financing order.

~~—(n) The electric utility may sell and assign all or portions of its interest in wildfire protection property to one or more financing entities that make that wildfire protection property the basis for issuance of bonds, to the extent approved in a financing order. The electric utility or financing entity may pledge wildfire protection property as collateral, directly or indirectly, for bonds to the extent approved in the pertinent financing orders providing for a security interest in the wildfire protection property, in the manner set forth in section 269-G.~~ §269-H Wildfire protection charge.

(a) The public utilities~~In addition, wildfire protection property may be sold or assigned by either of the following:~~

~~—(1) The financing entity or a trustee for the holders of bonds or the holders of an ancillary agreement in connection with the exercise of remedies upon a default under the terms of the bonds; or~~

~~—(2) Any person acquiring the wildfire protection property after a sale or assignment pursuant to this chapter.~~

~~—§269-F Wildfire protection charge.~~ (a) The commission may create, pursuant to a financing order approved pursuant to section 269-E, a nonbypassable charge for a financing entity, referred to as a wildfire protection charge that shall be applied to the repayment of bonds and related financing costs as described in this part.— The wildfire protection charge and any associated fixed recovery tax amounts may be a usage-based charge, a flat user charge, or a charge based upon customer

revenues as determined by the public utilities commission for each consumer class in any financing order.

— (b) — As long as any bonds are outstanding and any financing costs have not been paid in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, proceeds in an amount sufficient to repay principal and interest on the bonds that would have accrued had they remained outstanding have not been received, any wildfire protection charge and any associated fixed recovery tax amounts authorized under a financing order shall be nonbypassable.— Subject to any exceptions provided in a financing order, a wildfire protection charge and any associated fixed recovery tax amounts shall be paid by all existing and future consumers within the utility service territory.

— (c) — The wildfire protection charge shall be collected by an electric utility or its successors, in accordance with ~~subsection~~ section 269-KF(a), in full through a charge that is separate and apart from the electric ~~utility's~~ utility's rates.

— (d) — An electric utility may exercise the same rights and remedies under its tariff and applicable law and regulation based on a ~~consumer's~~ consumer's nonpayment of the wildfire protection charge as it could for a ~~consumer's~~ consumer's failure to pay any other charge payable to that electric utility.

§269-GI Security interests in wildfire protection property; financing statements. (a) A security interest in wildfire protection property is valid and enforceable against the pledgor

and third parties, subject to the rights of any third parties holding security interests in the wildfire protection property perfected in the manner described in this section, and attaches when all of the following have taken place:

- (1) The commission has issued a financing order authorizing the wildfire protection charge included in the wildfire protection property;
- (2) Value has been given by the pledgees of the wildfire protection property; and
- (3) The pledgor has signed a security agreement covering the wildfire protection property.

(b) A valid and enforceable security interest in wildfire protection property is perfected when it has attached and when a financing statement has been filed with the bureau of conveyances of the State [of Hawaii](#) naming the pledgor of the wildfire protection property as "debtor" and identifying the wildfire protection property.

Any description of the wildfire protection property shall be sufficient if it refers to the financing order creating the wildfire protection property. A copy of the financing statement shall be filed with the commission by the ~~public~~[electric](#) utility that is the pledgor or transferor of the wildfire protection property, and the commission may require the ~~public~~[electric](#) utility to make other filings with respect to the security interest in accordance with procedures that the commission may establish; provided that the filings shall not affect the perfection of the security interest.

(c) A perfected security interest in wildfire protection property shall be a continuously perfected security interest in all wildfire protection property revenues and proceeds arising with respect thereto, whether or not the revenues or proceeds have accrued. Conflicting security interests shall rank according to priority in time of perfection. Wildfire protection property shall constitute property for all purposes, including for contracts securing bonds, whether or not the wildfire protection property revenues and proceeds have accrued.

(d) Subject to the terms of the security agreement covering the wildfire protection property and the rights of any third-parties holding security interests in the wildfire protection property-, perfected in the manner described in this section, the validity and relative priority of a security interest created under this section shall not be defeated or adversely affected by the commingling of revenues arising with respect to the wildfire protection property with other funds of the ~~public~~electric utility- that is the pledgor or transferor of the wildfire protection property, or by any security interest in a deposit account of that ~~public~~electric utility perfected under chapter 490, article 9, into which the revenues are deposited.

Subject to the terms of the security agreement, upon compliance with the requirements of section 490:9-312(b)(1), the pledgees of the wildfire protection property shall have a perfected security interest in all cash and deposit accounts of the electric utility in which wildfire protection property revenues have been commingled with other funds.

(e) If default occurs under the security agreement covering the wildfire protection property, the pledgees of the wildfire protection property, subject to the terms of the security agreement, shall have all rights and remedies of a secured party upon default under chapter 490, article 9, and shall be entitled to foreclose or otherwise enforce their security interest in the wildfire protection property, subject to the rights of any third-parties holding prior security interests in the wildfire protection property perfected in the manner provided in this section. In addition, the commission may require in the financing order creating the wildfire protection property that, in the event of default by the electric utility in payment of wildfire protection property revenues, the commission and any successor thereto, upon the application by the pledgees or ~~transferees~~assignees, including assignees under section 269-H of the wildfire protection property, ~~under section 269-H~~, and without limiting any other remedies available to the pledgees or assignees by reason of the default, shall order the sequestration and payment to the pledgees or assignees of wildfire protection property revenues. Any financing order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor of the wildfire protection property. Any surplus in excess of:

(1) Amounts necessary to pay principal, premiums, if any, interest, costs, and arrearages on the bonds, and associated financing costs arising under the security agreement; or

(2) In the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding,

shall be remitted to the debtor or to the pledgor or transferor.

(f) Sections 490:9-204 and 490:9-205 shall apply to a pledge of wildfire protection property by the ~~public~~electric utility, an affiliate of the ~~public~~electric utility, or a financing entity.

§269-HJ Transfers of wildfire protection property. (a) A transfer or assignment of wildfire protection property by the ~~public~~electric utility to an assignee or to a financing entity, or by an assignee of the ~~public~~electric utility or a financing entity to another financing entity, which the parties in the governing documentation have expressly stated to be a sale or other absolute transfer, in a transaction approved in a financing order, shall be treated as an absolute transfer of all of the transferor's right, title, and interest, as in a true sale, and not as a pledge or other financing, of the wildfire protection property, other than for federal and state income and franchise tax purposes.

(b) The characterization of the sale, assignment, or transfer as an absolute transfer and true sale and the corresponding characterization of the property interest of the

assignee shall not be affected or impaired by, among other things, the occurrence of any of the following:

- (1) Commingling of wildfire protection charge revenues with other amounts;
- (2) The retention by the seller of either of the following:
 - (A) A partial or residual interest, including an equity interest, in the financing entity or the wildfire protection property, whether direct or indirect, subordinate or otherwise; or
 - (B) The right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of wildfire protection charge;
- (3) Any recourse that an assignee may have against the seller;
- (4) Any indemnification rights, obligations, or repurchase rights made or provided by the seller;
- (5) The obligation of the seller to collect wildfire protection charges on behalf of an assignee;
- (6) The treatment of the sale, assignment, or transfer for tax, financial reporting, or other purpose; or
- (7) Any true-up adjustment of the wildfire protection charge as provided in the financing order.
 - (c) A transfer of wildfire protection property shall be deemed perfected against third ~~persons~~parties when both of the following occur:
 - (1) The commission issues the financing order authorizing the wildfire protection charge included in the wildfire protection property; and

(2) An assignment of the wildfire protection property in writing has been executed and delivered to the assignee.

(d) As between bona fide assignees of the same right for value without notice, the assignee first filing a financing statement with the bureau of conveyances in accordance with chapter 490, article 9, part 5, naming the assignor of the wildfire protection property as debtor and identifying the wildfire protection property shall have priority. Any description of the wildfire protection property shall be sufficient if it refers to the financing order creating the wildfire protection property. A copy of the financing statement shall be filed by the assignee with the commission, and the commission may require the assignor or the assignee to make other filings with respect to the transfer in accordance with procedures the commission may establish, but these filings shall not affect the perfection of the transfer.

§269-~~K~~ **Financing entity successor requirements; default of financing entity.** (a) Any successor to an electric utility subject to a financing order, whether pursuant to any bankruptcy, reorganization, or other insolvency proceeding, or pursuant to any merger, sale, or transfer, by operation of law, or otherwise, shall be bound by the requirements of this part. The successor of the electric utility shall perform and satisfy all obligations of the electric utility under the financing order, in the same manner and to the same extent as the electric utility, including the obligation to collect and pay the wildfire protection charge to any financing party as

required by a financing order or any assignee. Any successor to the electric utility shall be entitled to receive any fixed recovery tax amounts otherwise payable to the electric utility.

(b) The commission may require in a financing order that if a default by the electric utility in remittance of the wildfire protection charge collected arising with respect to wildfire protection property occurs, the commission, without limiting any other remedies available to any financing party by reason of the default, shall order the sequestration and payment to the beneficiaries of the wildfire protection charge collected arising with respect to the wildfire protection property. Any order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the electric utility.

§269-~~JL~~ Severability. If any provision of this part is held to be invalid or is superseded, replaced, repealed, or expires for any reason:

(1) That occurrence shall not affect any action allowed under this part that is taken before that occurrence by the commission, a financing entity, a bondholder, or any financing party, and any such action shall remain in full force and effect; and

(2) The validity and enforceability of the rest of this part shall remain unaffected."

SECTION ~~9~~10. Chapter 269-17, Hawaii Revised Statutes, is amended to read as follows:

"**§269-17 Issuance of securities.** A public utility corporation- may, on securing the prior approval of the public utilities commission, and not otherwise, except as provided in

section 269-D, issue stocks and stock certificates, bonds, notes, and other evidences of indebtedness, payable at periods of more than twelve months after the date thereof, for the following purposes and no other, namely: for the acquisition of property or for the construction, completion, extension, or improvement of or addition to its facilities or service, or for the discharge or lawful refunding of its obligations or for the reimbursement of moneys actually expended from income or from any other moneys in its treasury not secured by or obtained from the issue of its stocks or stock certificates, ~~for~~ bonds, notes, or other evidences of indebtedness, for any of the aforesaid purposes except maintenance of service, replacements, and substitutions not constituting capital expenditure in cases where the corporation has kept its accounts for ~~such~~ expenditures in ~~such~~ a manner as to enable the commission to ascertain the amount of moneys so expended and the purposes for which the expenditures were made, and the sources of the funds in its treasury applied to the expenditures. As used ~~herein,~~ in this section, "property" and "facilities" ~~mean~~ property and facilities used in all operations of a public utility corporation whether or not included in its public utility operations or rate base. A public utility corporation may not issue securities to acquire property or to construct, complete, extend, ~~or~~ improve, ~~or~~ add to its facilities or service if the commission determines that the proposed purpose will have a material adverse effect on its public utility operations.

All stock and every stock certificate, and every bond, note, or other evidence of indebtedness of a public utility corporation not payable within twelve months, issued without an order of the commission authorizing the same, then in effect, shall be void."

SECTION 11. Each electric utility shall file its first risk-based wildfire protection plan with the commission required under section 269-C, Hawaii Revised Statutes, established by section 8 of this Act, no later than December 31, 2024.

SECTION 12. Notwithstanding the provisions of section 39A-191, Hawaii Revised Statutes, and the provisions of Act 182, Session Laws of Hawaii 2022, as amended by Act 262, Session Laws of Hawaii 2023, the legislature authorizes the issuance of special purpose revenue bonds for wildfire protection costs that require an allocation of the annual state ceiling under section 39B-2, Hawaii Revised Statutes, for the period ~~of~~ July 1, 2024, through December 31, 2028.— Notwithstanding ~~section~~ Section 39A-195, ~~Hawaii Revised Statutes~~, a project agreement entered into in connection with the issuance of special purpose revenue bonds to finance wildfire protection costs— may include a project agreement with an affiliate of an electric or gas utility and may contain provisions limiting the obligation to pay, and the security for the payment of, debt service and related deposits and costs in respect of such bonds or loans funded by such bonds to wildfire protection charges and wildfire protection property.

SECTION 13. The legislature authorizes the allocation of the annual state ceiling under section 39B-2, Hawaii Revised

Statutes, to the issuance of bonds issued pursuant to section ~~82~~ of this Act that require such allocation in order for interest on the bonds to be tax-exempt for federal income tax purposes.

SECTION 14. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 15. In codifying the new part added ~~to chapter 269, Hawaii Revised Statutes,~~ by section 8 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating and referring to the new sections in this Act.

PART III

SECTION 16. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 17. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 18. This Act shall take effect on July 1, 3000.

Report Title:

Hawaii Wildfire Relief Fund and Corporation; Public Utilities Commission; Catastrophic Wildfire; Wildfires; Mitigation; Protection; Electric Utilities; Securitization; Risk Protection Plans; Expenditure Ceiling; Appropriation

Description:

Establishes the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Creates a process for

electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds. Effective 7/1/3000. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

LATE

DATE: March 17, 2024

TO: Senator Donovan M. Dela Cruz
Chair, Committee on Ways and Means

Senator Karl Rhoads
Chair, Committee on Judiciary

FROM: Matt Tsujimura

RE: **H.B. 2700 H.D. 3 S.D. 1 – Relating to Wildfires**
Hearing Date: Thursday, March 28, 2024 at 9:45AM
Conference Room: 211

Dear Chair Dela Cruz, Chair Rhoads, and Members of the Joint Committee:

I am Matt Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm). State Farm offers this testimony **in opposition** to H.B. 2700 H.D. 3 S.D. 1, Relating to Wildfires.

H.B. 2700 H.D. 3 S.D. 1 establishes the Hawaii Wildfire Relief Fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

H.B. 2700 H.D. 3 S.D. 1 does not protect consumers. Participating in the Wildfire Relief Fund would result in the property owner never being made whole. Instead, the proposal asks property owners and insurers to waive rights before a loss has occurred and the extent of the damage and liability is known. It requires property owners to participate in the fund unless they “opt out.” If the property owner does not affirmatively “opt out,” the only source of recovery against a negligent party is a pre-determined amount (uninsured property owner) or a percentage (insured property owner) of their overall loss. A property owner who failed to “opt out” may unknowingly waive their individual right to seek damages from a negligent party and which may also impact an insurer’s subrogation rights.¹

Insurers are required to “opt-in” to participate in the proposed Wildfire Relief Fund and, if they do so, the recovery is limited to a percentage predetermined by the fund. The proposal essentially asks an insurer to assess liability and likelihood of potential recovery before the event has occurred, a time when the facts, circumstances, and identity of the responsible parties is unknown.

¹ Subrogation supports a critical public policy purpose of ensuring the party who caused the loss bears the financial burden for the damage caused.

H.B. 2700 H.D. 3 S.D. 1 does not appear to *require* any type of wildfire mitigation plan by contributing entities to prevent catastrophic wildfire events. Rather, the proposal gives the public utilities commission, the fund administrator, or other state agency the ability to determine if the conduct was “prudent.”² While unlikely, this could enable contributing entities to pay into the fund to significantly limit their liability while limiting other types of preventative wildfire measures they could take due to the protection offered by being a fund contributor.

Ultimately, State Farm is concerned this proposal is detrimental to consumers and does little to help mitigate wildfire losses, while allowing the responsible parties to limit liability for their wrongful conduct.

For these reasons we offer this testimony in opposition. Thank you for the opportunity to testify.

² Investor-owned utilities who have a wildfire mitigation plan approved by the public utilities commission are deemed to have been “prudent” unless a party to the proceeding creates doubt as to the conduct.



Hawaii Cattlemen's Council, Inc.

LATE

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON JUDICIARY
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

HB2700 HD3 SD1
RELATING TO WILDFIRES

Tuesday, February 13, 2024, 2:00 PM
Conference Room 325 & Videoconference

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Members of the Committee,

The Hawaii Cattlemen's Council **supports HB2700 HD3 SD1** which establishes the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

Hawaii's ranchers are key stakeholders in preventing wildfires. Unfortunate wildfire events are becoming more commonplace, but ranchers are dedicated to stewarding the land to reduce fire fuel loads through managed grazing. Further, ranchers are reliable resources during fires to help with heavy equipment operation and access to reservoirs. While prevention of fire is key, the establishment of this fund is forward-thinking to prepare for future damages.

Thank you for the opportunity to testify on this matter. The Hawaii Cattlemen's Council (HCC) is the Statewide umbrella organization comprised of the four county-level Cattlemen's Associations. Our member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of over 750 thousand acres of land in Hawaii, or 20% of the State's total land mass. We represent the interests of Hawaii's cattle producers.

Nicole Galase
Hawaii Cattlemen's Council
Managing Director





MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEES ON JUDICIARY and WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
Thursday, March 28, 2024 AT 9:45 A.M.**

To The Honorable Senator Karl Rhoads, Chair
The Honorable Senator Mike Gabbard, Vice Chair
Members of the committee on Judiciary
To The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
Members of the committee on Ways and Means

SUPPORT HB2700 HD3 SD1 RELATING TO WILDFIRES

The Maui Chamber of Commerce **SUPPORTS HB2700 HD3 SD1.**

The Chamber supports the concept of this fund that helps protect impacted residents and businesses of future catastrophic wildfires by getting paid from the fund regardless of the cause of the wildfire. We acknowledge that it will help protect state, counties, large landowners, and utilities that contribute to the fund from financial uncertainty by the risk of future catastrophic wildfires. We note that residents and businesses that will benefit from this fund will also be contributors to this fund through state taxes, other governmental taxes, and as rate payers of utility companies. We appreciate the amendment that prohibits a public utility from recovering its contributions from its customers in rates. We all must come together on solutions when dealing with catastrophic events.

We appreciate the forward thinking of this initiative. We hope that the state would continue to explore federal and other methods of funding for expediting protective measures in order to help lessen the impacts of future disasters.

The Chamber looks forward to continued discussions on this and other related bills to find the best possible solutions.

For these reasons, we **SUPPORT HB2700 HD3SD1.**

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN OPPOSITION OF
HB 2700 HD3 SD1**

Date: March 28, 2024

Time: 9:45 a.m.

My name is Evan Oue and thank you for allowing me to submit testimony on behalf of the Hawaii Association for Justice (HAJ) in **STRONG OPPOSITION** to HB 2700 HD3 SD1 - RELATING TO WILDFIRES. The measure seeks to establish a Hawaii Wildfire Fire Relief Fund to provide compensation for property damage resulting from catastrophic wildfires in the State.

Primarily, HAJ is concerned with § -18, pages 43-44, relating to limitations on claims. Specifically, the measure provides that: "**No suit, claim, or other civil legal action may be instituted or maintained against contributors or their affiliates, employees, agents, or insurers:** (1). For recovery of losses or damages of a type for which compensation may be sought from the wildfire relief fund." HB 2700 HD3 SD1 seeks to immunizes electric utilities, public utilities other than electric utilities, the State, or private landowners from property damage claims arising from a catastrophic wildfire.

HAJ has always held the position that broad immunity is bad public policy. In this instance, HAJ is concerned that the proposed measure will preclude all property damage claims against fund contributors for any disaster in the future where those very same fund contributors, through their negligence, caused a wildfire disaster and failed to ensure that the wildfire relief fund was adequately funded. As currently drafted the measure would revictimize the people of Maui who were affected by the 2023 wildfires and would undercut the rights of victims of any and all future disasters. This liability limitation would incentivize minimal contribution to the fund in order to receive immunity that will apply even to disasters that are caused by the same

sort of negligence that led to the recent destruction of so many lives and livelihoods on Maui.

HAJ understands the business implications that this measure may have for fund contributors, however, we fail to see why those who have caused so much damage and destruction should be rewarded for their callousness with a grant of broad immunity for the damage they caused, at the expense of their victims.

Furthermore, HAJ is not aware of any other state that has provided such broad immunity of this type when establishing a relief fund. Under the current measure, Hawaii would be the first state in the nation to reward potentially responsible parties by absolving them of their responsibilities to those they harm. Providing immunity under this measure will remove any accountability for utility companies, the State, and private landowners whose actions or omissions result in damage to people across the state. The current immunity language sets a dangerous precedent of rewarding companies, our government, and private landowners for their negligence which contribute to catastrophic wildfires or disasters in the future.

Ultimately, the people of Hawaii will be impaired in seeking recourse for damage to their property at the same time that it removes a contributor's responsibility to safely design and maintain their operations.

As an alternative, we would recommend an amendment to the fund depletion language in Section 16 in order to incentivize the appropriate funding of the wildfire relief fund, especially where *any* grant of immunity is being contemplated:

"§ -16 Fund depletion. (a) Within thirty days of a catastrophic wildfire, the administrator shall assess whether the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, and the State and other governmental entities under sections -13, -14, and -15,

respectively, are expected to exceed seventy-five per cent of the total available money in the wildfire relief fund. The board shall adopt rules pursuant to chapter 91 regarding the performance of this assessment.

(b) If the administrator assesses pursuant to subsection (a) that the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, and the State and other governmental entities under sections -13, -14, and -15, respectively, are expected to exceed seventy-five per cent of the total available money in the wildfire relief fund, the administrator shall seek to increase the total amount of money in the fund using all available methods under this chapter.

(c) Depletion event. If the administrator is unable, despite taking the steps under subsection (b), to secure sufficient additional funding for the wildlife relief fund, including credible pledges for future funding, to reverse the administrator's assessment under subsection (a) within forty-five days, the administrator shall declare the existence of a depletion event.

(d) Depletion percentage. If the administrator declares the existence of a depletion event, the administrator shall determine what percentage of total eligible payments the wildlife relief fund can make without the likelihood that the payments will exceed seventy-five per cent of the total available money in the wildlife relief fund. This percentage shall be deemed the depletion percentage.

(e) Depletion payment. The administrator shall thereafter offer all property owners, property insurers, the State, and other governmental entities that submit claims for compensation from the wildfire relief fund and would otherwise, under sections -13, -14, and -15, respectively, be entitled to a particular payment amount, that amount multiplied by the depletion percentage. This amount shall be deemed the depletion payment.

(f) All claimants that are offered the depletion payment may choose to accept or decline the payment. Any property owner or property insurer, other than a contributor, that declines to accept the depletion payment shall:

(1) Be ineligible for any payments by the wildfire relief fund with respect to the catastrophic wildfire for which the claim was made; and

(2) Not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire.

The limitation period for any cause of action arising out of the catastrophic wildfire that could be asserted by the property owner or property insurer that declines to accept the depletion payment shall be tolled for the period from the date of the catastrophic wildfire to the date the administrator offers claimants the depletion payment.

(g) (i) Any property owner or property insurer, other than a contributor, that accepts the depletion payment shall be entitled to an additional payment from the fund, within three years of receipt of the depletion payment, equal to the difference between the depletion payment and what the property owner or property insurer would have been entitled to from the fund in the absence of a depletion event. This shall be called the true-up payment.

(ii) In the event that, after expiration of that three-year period, the fund has failed to make the true-up payment to a particular property owner or property insurer, that property owner or property insurer shall not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire. In any suit brought by or on behalf of that property owner or property insurer that, but for the failure of the fund to make the true-up payment, would have been barred by the limitation on claims under section - 18, the following provision will apply: total recovery, inclusive of damages, attorney's fees, and interest, shall be limited to three times the true-up payment.

(iii) The limitation period for any cause of action arising out of the catastrophic wildfire that could be asserted by the property owner or property insurer that accepted the depletion payment shall be tolled for the period from the date of the catastrophic wildfire to the date the true-up payment under subsection (i) is made, or is due, whichever is earlier.

(h) Multiple catastrophic events. The board shall adopt rules pursuant to chapter 91 regarding how to pay claims in the event that one or more catastrophic wildfires occur while the corporation is in the process of assessing, receiving, determining, or paying claims from an earlier catastrophic wildfire."

Moreover, the measure was recently amended to incorporate a new Section 269-C (j) and (k) (Page 76) to provide immunity for electric utilities and the Public Utilities Commission (PUC). Specifically, subsection (j) provides the electric utilities immunity for death of or injury to persons, unless it acts in a manner that constitutes "willful misconduct, bad faith, or reckless disregard of its obligations, in each case, in compliance with its obligations under a financing order and any applicable wildfire protection plan." This provision would provide electric utilities immunity for: 1) an action in compliance with a mitigation plan approved by the PUC; and 2) failure to comply with a provision of the mitigation plan that was removed from the measure. We are concerned with the broad immunity in this provision does not account for negligence or the failure to act reasonable in compliance with the mitigation plan or PUC order. This would be catastrophic for future victims that are injured or killed by negligently complying with the mitigation plan.

Additionally, we are concerned with subsection (k) with the overbroad immunity provided to the PUC for any action taken by such in the performance of their powers and duties under 269-C. This overbroad immunity eliminates all claims including negligence or wrongful misconduct for implementation and approval of the mitigation plan that may result in property damage or death of or injury to individuals. This would remove any sense of accountability for the PUC and leave those harmed by a potential negligence or wrongful act in approving the mitigation plan without any form of recourse.

We fail to see the justification for the immunity provisions in subsections (j) and (k), especially after the devastation of the Lahaina Wildfire. Accordingly, we strongly urge that subsections (j) and (k) on Page 76 be removed from the measure.

We look forward to working with all involved stakeholders on this measure. Thank you

very much for allowing me to testify in **OPPOSITION** of the current draft of HB 2700 HD3 SD1.

Please feel free to contact me should you have any questions or desire additional information.

Written Statement of
Jeannine Souki, Senior Manager – Government & Regulatory Affairs

**BEFORE THE SENATE COMMITTEES ON WAYS AND MEANS
AND JUDICIARY**

H.B. 2700, HD3 SD1 – RELATING TO WILDFIRES

March 28, 2024, 9:45 AM
State Capitol, Conference Room 211 & Videoconference

LATE

To: Chairs Donovan Dela Cruz and Karl Rhoads
Vice-Chairs Sharon Moriwaki and Mike Gabbard
Members of the Committees

Re: Testimony providing comment for HB 2700, HD3 SD1

Aloha Honorable Chairs, Vice-Chairs, and Committee Members:

Thank you for the opportunity to provide comments regarding HB 2700, HD3 SD1, which proposes to create a Hawaii Wildfire Relief Fund and Corporation to provide compensation for damages resulting from future catastrophic wildfires. This measure also proposes to establish a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission (PUC) and another process for the PUC to approve the recovery of related costs and expenses through securitization, wildfire costs and expenses.

Hawaiian Telcom understands and appreciates the importance of supporting communities affected by wildfires during this challenging time as residents and businesses continue to recover from the devastating wildfires in Maui. Our company's employees and business were also directly impacted by the wildfires, which is why we are committed to working collaboratively with federal, state, county, and community leaders to support the affected communities. While we hope that we never experience another wildfire, we understand the importance of being prepared in case of such an event.

Hawaiian Telcom greatly appreciates the SD1 amendments made by the previous committee, which amended proposed § - 7 (a), (3) to omit telecommunication service providers. Narrowing down the list of entities that can contribute to the fund makes this measure more consistent with other established wildfire funds, California Wildfire Fund and the Utah Fire Fund¹. Both these

¹ S.B. 225 Utah State Legislature, signed into law March 13, 2024, <https://legiscan.com/UT/bill/SB0224/2024> (accessed online March 18, 2024.)

funds are specifically set up for electric utilities to contribute toward providing compensation resulting from future catastrophic wildfires.

Thank you for the opportunity to provide comments on HB 2700, HD3 SD1.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Joanna Markle

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Joanna Markle and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Silas Oliveira de Toledo

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Silas Oliveira de Toledo and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Yvonne Phillipson

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Yvonne Phillipson and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

HB-2700-SD-1

Submitted on: 3/26/2024 1:56:42 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Lori Tsue	Individual	Support	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Lori Tsue and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Aaron Jay

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Aaron Jay and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Aaron Gonzalez

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Aaron Gonzalez and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While I hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Kim Kaaua

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Kim Kaaua, and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by David Tester

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is David Tester and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Fabio Bylaardt

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Fabio Bylaardt and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Lynne Unemori and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

This bill would create a future wildfire relief fund for potential victims and would provide Hawai'i families with an efficient process for receiving resources to help recover from property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill would ensure resources are available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reducing the financial uncertainty created by the risk of catastrophic wildfires. Reducing this uncertainty can result in lower financing costs that ultimately benefit the public.

The previous committee's amendments are also favorable and the bill now includes provisions for a wildfire mitigation plan and securitization. The amendments would require regular review of utility wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to electric utility customers. Having this financing option available is especially important when traditional financing might be unavailable or very costly, which ultimately impacts the customer.

Securitization will also support the financial strength of electric utilities with another option to finance other safety, resilience and reliability projects at a lower cost -- investments and commitments Hawai'i needs to meet its renewable energy and other goals. It will be difficult for a financially weak utility to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

HB-2700-SD-1

Submitted on: 3/26/2024 2:39:32 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Noa Dettweiler-Pavia	Individual	Support	Written Testimony Only

Comments:

HB 2700 HD3 SD1

Relating to Wildfires

Thursday, March 28, 2024

9:45 AM

State Capitol, Conference Room 211

Submitted by Noa Dettweiler-Pavia

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Noa Dettweiler-Pavia and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it provides security for the people of Hawaii in the event of a catastrophic wildfire.

The catastrophic effects of the 2023 Maui wildfires have impacted the entire state and will continue to do so far into the future. Those effects are amplified by the fact that there are no plans in place to effectively and efficiently address the loss suffered by thousands of people. In addition to those directly impacted, our state's economy will likely be disrupted by the after-effects of clean-up, reconstruction and litigation.

While no legislation can fully shield Hawaii from the devastating effects of future wildfires, this bill goes a long way in mitigating that risk. Please pass HB 2700 HD3 SD1. Thank you.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Len Nakano

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Len Nakano and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Kristin Nakamura

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Kristin Nakamura and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Enrique Che

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Enrique Che and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Gayle Ohashi

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Gayle Ohashi and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by William Chang

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is William Chang and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Kristen Okinaka

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Kristen Okinaka and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Kevin Kuo

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Kevin Kuo and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Alex Dale

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Alex Dale and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Joyce Chang

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Joyce Chang and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Richard Shiroma

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Richard Shiroma and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted By Darren Ishimura

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Darren Ishimura and I am testifying in support of HB2700 HD3 SD1, Relating to Wildfires. I support HB2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire, this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawai'i families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While I hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires. This financial security is in the best interest of Hawai'i's residents.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization, a mechanism to finance wildfire mitigation costs and expenses, is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawai'i needs to meet its renewable energy and other goals. A financially strong electric utility is needed to accomplish such goals.

Please pass HB2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Aris Suchinroj

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Aris Suchinroj and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Darren Yamamoto

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Darren Yamamoto and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Patsy Nanbu

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Patsy Nanbu and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Carrie Iwamoto

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Carrie Iwamoto and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

HB-2700-SD-1

Submitted on: 3/26/2024 5:02:15 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Ekaterina Mahan	Individual	Support	Written Testimony Only

Comments:

Testimony before the SENATE COMMITTEES ON WAYS & MEANS

AND

jUDICIARY

HB 2700 HD3 SD1

Relating to Wildfires

Thursday, March 28, 2024

9:45 AM

State Capitol, Conference Room 211

Submitted by Ekaterina Mahan

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Ekaterina Mahan and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

HB-2700-SD-1

Submitted on: 3/26/2024 5:24:52 PM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
scott cramer	Individual	Support	Written Testimony Only

Comments:

Testimony before the SENATE COMMITTEES ON WAYS & MEANS

AND

jUDICIARY

HB 2700 HD3 SD1

Relating to Wildfires

Thursday, March 28, 2024

9:45 AM

State Capitol, Conference Room 211

Submitted by Scott Cramer

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Scott Cramer and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Lorie Nagata

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Lorie Nagata and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by **Your name**

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is **Your name** and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Sharon Suzuki

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Sharon Suzuki and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now include the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Karen Hirota

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Karen Hirota and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Susan Li

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Susan Li and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it proposes a solution in the event of a future catastrophic wildfire that might be caused by any unknown factor.

In preparation for a future catastrophic wildfire, this bill would create a wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure that resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments -- the wildfire mitigation plan and securitization -- are favorable and are now included in the bill. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to customers. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals. A financially weak utility would have difficulty accomplishing such goals.

I urge you to pass HB 2700 HD3 SD1. Thank you for the opportunity to testify.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Lyle J. Matsunaga

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Lyle Matsunaga and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Sarie Uechi

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Sarie Uechi and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Keith Kobuke

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Keith Kobuke and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Annette Wong

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Annette Wong and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Everett A. Lacro

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Everett Lacro and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Danny Ishii

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Danny Ishii and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Ken Aramaki

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Ken Aramaki and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Kerry Kanakaole

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Kerry Kanakaole and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the credit worthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Samantha Spake

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Samantha Spake and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Lorrie Iwanaga

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Lorrie Iwanaga and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Jamie Lee

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Jamie Lee and I am testifying in support of HB 2700 HD3 SD1, relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Sharri Thornton

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Sharri Thornton and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Michelle Chang

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Michelle Chang and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Mathew McNeff

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Mathew McNeff and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Teri Theuriet

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Teri Theuriet and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Leslie Kwock

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Leslie Kwock and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawai'i families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Mau'i never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the credit-worthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for your time and the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Kelsey Ito

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Kelsey Ito and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

HB-2700-SD-1

Submitted on: 3/27/2024 7:39:21 AM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacklyn Spencer	Individual	Support	Written Testimony Only

Comments:

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS &
MEANS**

**AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Jacklyn D. Spencer

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Jacklyn D. Spencer and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

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difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Stacey Ueda

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Stacey Ueda and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Thurston Wong

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Thurston Wong and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for allowing me to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Dawn Wong

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Dawn Wong and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for allowing me to share my support.

HB-2700-SD-1

Submitted on: 3/27/2024 8:08:49 AM

Testimony for WAM on 3/28/2024 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Reynolds	Individual	Support	Written Testimony Only

Comments:

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Alton Ramos

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Alton Ramos and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Robert Young

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Robert Young and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

This bill would create a future wildfire relief fund for Hawaii families and create an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Earlynn F. Maile

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Earlynn Maile and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Phillip Gerwien

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Phillip Gerwien and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
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**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Terrene Uehira

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Terrene Uehira and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

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Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by John DiGiovanni

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is John DiGiovanni and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

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**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

LATE

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Lon Okada

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Lon Okada and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals. A financially weak utility would be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE SENATE COMMITTEES ON WAYS & MEANS
AND
JUDICIARY**

**HB 2700 HD3 SD1
Relating to Wildfires**

LATE

Thursday, March 28, 2024
9:45 AM
State Capitol, Conference Room 211

Submitted by Gary Hanaoka

Dear Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard, and Members of the Committees,

My name is Gary Hanaoka and I am testifying in support of HB 2700 HD3 SD1, Relating to Wildfires. I support HB 2700 HD3 SD1 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

In preparation for a future catastrophic wildfire this bill would create a future wildfire relief fund for potential victims. The bill would provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

The previous committee's amendments are favorable and now includes the wildfire mitigation plan and securitization. The amendments would require regular review of the wildfire risk mitigation plans by the Public Utilities Commission. Securitization is a mechanism to finance wildfire mitigation costs and expenses. This method is the most cost-effective way to fund such expenses with the lowest impact to ratepayers like me. In addition, securitization will support the financial strength of electric utilities to make the investments and commitments Hawaii needs to meet its renewable energy and other goals, and a financially weak utility will be difficult to accomplish such goals.

Please pass HB 2700 HD3 SD1. Thank you for the opportunity to share my support.