



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I. HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Water & Land
and
House Committee on Consumer Protection & Commerce
Wednesday, March 13, 2024
2:00 p.m.
State Capitol, Conference Room 329 & via Videoconference**

**On the following measure:
S.B. 3344, S.D. 2, RELATING TO WILDFIRES**

Chairs Ichiyama and Nakashima and Members of the Committees:

My name is Denise Balanay, and I am the Senior Hearings Officer of the Department of Commerce and Consumer Affairs' (Department) Office of Administrative Hearings (OAH). The Department offers comments on this bill.

The purposes of this bill are to: (1) establish the Hawai'i Wildfire Relief Fund and Hawai'i Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State; (2) require the Hawai'i Wildfire Relief Fund Corporation's board to report to the Legislature; (3) declare that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025; and (4) make an appropriation.

Section -17 (Hearings and appeals of determinations) sets forth a procedure for affected persons or entities to request an administrative or contested case hearing

on determinations made by the wildfire relief fund administrator or board. Should this measure be enacted, the OAH respectfully requests the following amendments:

- Subsection (a), page 41, lines 19 through 20: “may request ~~[a review and]~~ a contested case hearing on that determination before the department of commerce and consumer affairs~~[-]~~ , pursuant to chapter 91.” This amendment would clarify the type of hearing contemplated by this bill and the statutory authority for the request for hearing.
- Subsection (b), page 42, lines 1 through 8: “Upon receipt of a request for ~~[review of]~~ hearing on the administrator or board’s determination, ~~[the department of commerce and consumer affairs shall refer the request for hearing to the office of administrative hearings for determination as expeditiously as possible. A hearing shall be scheduled for a date not more]~~ the office of administrative hearings shall schedule a hearing date no later than days after its receipt ~~[by the department of commerce and consumer affairs]~~ of the request for ~~[a]~~ hearing.” Since subsection (b) seeks an administrative determination “as expeditiously as possible,” this amendment would allow the affected person or entity to request a hearing directly with the OAH.
- Subsection (c), page 42, lines 9 through 14: “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 ~~[not]~~ no later than days after the hearing, decide the matter and ~~[make an order]~~ issue findings of fact, conclusions of law, and a decision in accordance with the ~~[administrative judge’s decision.]~~ hearings officer’s determination.” This amendment would conform with the verbiage in Hawaii Revised Statutes chapter 91 and Hawaii Administrative Rules title 16, chapter 201 (Administrative Practice and Procedure).

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

House Committee on Water & Land
And
House Committee on Consumer Protection & Commerce
Wednesday, March 13, 2024
2:00 p.m.
Conference Room 329

On the following measure:
S.B. 3344, S.D. 2, RELATING TO WILDFIRES

Chair Ichiyama, Chair Nakashima, 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 (DCA). 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) require the Corporation's board to report to the Legislature; and (3) declare that the general fund expenditure ceiling is exceeded and makes an appropriation.

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.

This bill 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.

While the Department appreciates that this proposal seeks to address the stability of the investor-owned electric utility, we have concerns about this bill in its current form. Most prominently, this version of the bill under proposed § -8(k) allows fifty percent (50%) of an investor-owned utility's contributions, including initial and supplemental, to be recovered from its customers in rate increases. The DCA believes that the burden of this financial risk for property damage resulting from the actions or inaction of investor-owned utilities must not be placed upon its customers but rather fully on its shareholders.

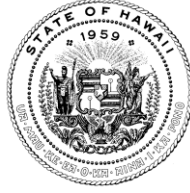
However, we do not oppose this bill moving forward so that discussions with the key affected stakeholders may continue, and the Department offers the following suggested amendments to increase ratepayer protections:

1. Proposed § -8(k) should be amended to state that utility contributions, initial and supplemental, should not be recoverable through rates from ratepayers. The existing ratepayer protection against recovering reimbursement through rates in the current proposed § -9(f) should be maintained.
2. To recognize the different business models and economic sizes between investor-owned electric utilities and cooperative member-owned electric utilities, proposed § -8(d)(3) should provide different contribution levels for the two different utility business models. However, in an amended proposed § -8(k) with a prohibition on rate recovery, the "investor-owned" qualification should be removed such that any public utility's contributions should not be recoverable through rates. While the Department recognizes how the differences in business models and economic sizes between investor-owned and member-owned utilities can affect their ability to contribute to the fund (see above), if a member-owned utility chose to participate in the fund, its ratepayers deserve no less rate protection than ratepayers for investor-owned utilities.

And so wherever “investor-owned utility” is used, except for an intentional differentiation in an amended proposed § 8(d)(3), “public utility” should be used instead.

3. Proposed § -9(b) should be deleted because approval of a wildfire mitigation plan should not relieve a public utility of its obligation to act prudently by creating a rebuttable presumption. An approved plan should not encourage public utilities to act according to just a minimum level of prudence. Public utilities should strive for a reasonable level of prudence and safety in any case and at all times.
4. Proposed § -9(c) should be amended to require the Commission to evaluate prudence from a neutral starting point; standards favorable to the public utility – such as the current proposed “good faith under similar circumstances” and “spectrum of possible practices” – should be deleted in favor of a more straightforward “prudent and in the public interest” standard. This would give the Commission appropriate discretion to make the best possible determination.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committees on Water & Land
and
Consumer Protection & Commerce
Wednesday, March 13, 2024
2:00 pm**

State Capitol, Conference Room 329 and via Videoconference

**On the following measure:
S.B. 3344, S.D.2, RELATING TO WILDFIRES**

Chair Ichiyama, Chair Nakashima, and Members of the Committees:

My name is Gordon Ito, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purposes of this bill are to: (1) establish the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State; (2) require the Corporation's board to report to the Legislature; (3) declare that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025; and (4) make an appropriation..

We note that the programs proposed in this bill may fall within the definition of insurance as defined in Hawai'i Revised Statutes (HRS) chapter 431 (Insurance Code), and accordingly may be subject to various provisions within chapter 431, including but not limited to Insurers General Requirements (article 3), Domestic Insurers (article 4),

Financial Condition (article 5), and Rate Regulation (article 14). If the intent of the bill is not to create programs subject to insurance regulations, we respectfully suggest the bill be amended to clearly exempt the programs proposed by this bill from regulation under the Insurance Code.

Thank you for the opportunity to testify.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Water & Land
And
House Committee on Consumer Protection & Commerce

Wednesday, March 13, 2024
2:00 p.m.
Conference Room 329 & Videoconference

On the following measure:
S.B. 3344, S.D.2, RELATING TO WILDFIRES.

Written Testimony Only

Chair Ichiyama, Chair Nakashima, and Members of the Committees:

My name is Nadine Ando and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department offers comments on this bill.

The purposes of this bill are to: (1) establish the Hawai'i Wildfire Relief Fund and Hawai'i Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State; (2) require the Corporation's board to report to the Legislature; and (3) declare that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

Although the Department acknowledges the importance of planning for and mitigating the impacts of catastrophic wildfires and are open to the concept of

establishing a relief fund that would be housed within the Department, we would like to express our reservations and concerns regarding the current proposal set forth in S.B. 3344, S.D.2.

The proposed Hawai'i wildfire relief fund and corporation as outlined in the bill will be charged with administering fund contributions that may come from the State, electric utilities, public utilities that contribute to the risk or severity of a catastrophic wildfire, other government entities, and private landowners who own at least 1,000 acres in Hawai'i. The purpose of the wildfire relief fund is to process eligible claims for property damage resulting from future catastrophic wildfires. Notably, however, the current proposal does not address the means or the mechanisms to compensate for claims of property damage arising out of the recent devastating Maui wildfires. The Department believes that a more comprehensive proposal from key stakeholders such as the electric utility, is needed to better assess the feasibility and effectiveness of any proposed measure relating to property damage compensation and risk exposure.

The Department remains committed to contributing constructively to the development of legislation that ensures the safety and well-being of our communities and is grateful for the opportunity to offer comments on this bill.

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

TO THE
HOUSE COMMITTEES ON
WATER AND LAND
and
CONSUMER PROTECTION AND COMMERCE

March 13, 2024
2:00 p.m.

Chairs Ichiyama and Nakashima, Vice Chairs Poepoe and Sayama, and Members of the Committees:

MEASURE: S.B. No. 3344 SD 2

TITLE: RELATING TO WILDFIRES.

DESCRIPTION: Establishes the Hawaii Wildfire Relief Fund and Hawaii Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Requires the Corporation's board to report to the Legislature. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Makes an appropriation. Effective 7/1/2040. (SD2)

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.

At a high-level, the Commission offers the following suggestions on this measure, described further below:

- Create equal treatment between investor-owned and cooperative utilities, given their similar risk profiles with regards to wildfire;
- Remove any presumed prudence for utilities as an added layer of customer protection;
- Clarify that electric utilities must have an approved risk-based wildfire protection plan to participate in the fund; and
- Require the Commission to determine the appropriate cap on customer contributions for a utility's participation in the fund.

The Commission presently regulates both investor-owned utilities and cooperative utilities. The Commission notes that in the current draft of this measure both investor-owned utilities and cooperative utilities may participate in the wildfire relief fund as contributors but differ with respect to: (1) whether their contributions shall be recovered from their customers in rates; and (2) in the evaluation of the prudence of their conduct should a catastrophic wildfire be ignited by their facilities. Given that both investor-owned utilities and cooperative utilities are regulated by the Commission and that the primary difference between investor-owned utilities and cooperative utilities is their ownership structures, which have little to no bearing on the amount of risk associated with a catastrophic wildfire, should the Legislature intend to move this measure forward, the Commission suggests that this measure be amended such that there is conformity between investor-owned utilities and cooperative utilities with respect to whether their contributions may be recovered from their customers in rates and in the evaluation of the prudence of their conduct should a catastrophic wildfire have been ignited by the public utilities facilities.

The Commission further notes that as written this measure would create, in any Commission proceeding to evaluate the prudence of an investor-owned utility's conduct if a catastrophic wildfire may have been ignited by the facilities of an investor-owned utility, a presumption that an investor-owned utility's conduct will be deemed to be prudent if an investor-owned utility has a wildfire risk mitigation plan that was approved by the Commission. Such a presumption may not be warranted if the investor-owned utility's facilities may have ignited a catastrophic wildfire, and the removal of such a presumption would not impair or limit the investor-owned utility's ability to present evidence that its conduct was prudent. 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.

Regarding the requirement that a utility facing liability proceedings for catastrophic wildfires have a plan approved by the Commission prior to participating, the Commission

notes and appreciates the amendments adopted by the previous Committee, but believes this section needs further clarification prior to adoption. A plan that satisfies a number of conditions such as restructuring and alternate models of public ownership in order to participate in the wildfire relief fund may discourage current electric utilities from participating in the wildfire relief fund. This requirement contemplates complex regulatory issues, such as electric sector restructuring, development of local governance schemes, and other items that would require lengthy and careful deliberation in docketed proceedings. Further, the language stating that the plan “limits the burden to the rate payers” is overly broad and would be very challenging to implement, as it does not specify what burden. Finally, experience in California shows that tying executive compensation to safety can be a very effective means of accountability and may be worthy of further exploration.

The Commission agrees that certain elements contemplated in this section may be useful, such as demonstrating how the utility’s structure, accountability schemes, enforcement, and organization are the most effective option for ensuring customer safety and system reliability and resilience, or whether alternatives should be considered. However, these should not all necessarily be requisite to participation in the fund, and could instead be adopted with modifications as requirements for consideration in a utility’s wildfire protection plan.

The Commission appreciates that a cap on how much of a utility’s contributions may be recovered from customers improves consumer protection and could create incentives for the utility’s shareholders to operate with wildfire safety in mind. However, without knowing the total required utility contributions, it is difficult to determine what an appropriate percentage cap would be. Additionally, allowing the Commission the discretion to set the cap on ratepayer funds in a proceeding on wildfire protection would let the Commission directly tie the relative shareholder contributions to performance metrics and outcomes.

Consistent with the Commission’s comments above, the Commission offers the following amendments to:

Page 16, Line 6 to Page 17, Line 21

(g) Notwithstanding any provision to the contrary, an electric utility ~~that is subject to proceedings for liability or insolvency claims related to a catastrophic wildfire as of the effective date of this chapter~~ may participate in the

fund only if the utility provides, and the commission approves, ~~a plan that satisfies the following conditions:~~

- ~~(1) The plan limits the burden to the rate payers of the electric utility;~~
- ~~(2) The plan provides for a review of organizational structure of the electric utility and the separation of energy generation and energy transmission and distribution;~~
- ~~(3) The plan provides for a review of local governance and accountability, including a modification of the governance structure and re-orientation of the management and board of directors of the electric utility, to create further safety accountability and better representation of its customers, including enhanced oversight and enforcement processes;~~
- ~~(4) The plan includes a framework for addressing wildfire safety and risk management, including monitoring and enforcement, independent review and oversight 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 provides for 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 risk-based wildfire protection 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.~~

(k) Utility contribution. ~~Fifty per cent of an investor owned~~ The Commission shall determine a cap on the percentage of a public utility's contributions to the wildfire relief fund, including initial and supplemental contributions, that may be recovered from its customers in rates, unless the public utilities commission directs otherwise pursuant to section -9.

Page 25, Line 7 to Page 29, Line 5

§ -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, informs the public utilities commission that a catastrophic wildfire may have been ignited by the facilities of ~~an investor-owned~~ a public utility that is a contributor, the public utilities commission shall initiate a proceeding to review the ~~investor-owned~~ 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 ~~investor-owned~~ public utility in connection with a catastrophic wildfire as follows:

- ~~(1) If the investor-utility has a wildfire risk mitigation plan that was approved by the public utilities commission, the investor-utility's conduct will be deemed to have been prudent, unless a party to the proceeding creates a serious doubt as to the prudence of the investor-owned utility's conduct; or~~
- ~~(2) If the investor- public utility does not have a wildfire risk mitigation plan that was approved by the public utilities commission, or if the public utilities commission determines that the presumption is overcome,~~
- (1) 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 extent, 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 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 ~~investor-owned~~ 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 ~~investor-owned~~ public 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 ~~investor-owned~~ public utility caused the 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 ~~investor-owned~~ 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 ~~investor-owned~~ public utility's imprudence; or

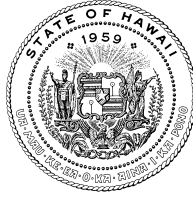
- (2) Twenty per cent of the ~~investor-owned~~ public utility's transmission and distribution equity rate base minus the amounts the public utility has reimbursed, or is required to reimburse, the wildfire relief fund during the period of three consecutive calendar years ending on December 31 of the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

(f) If the public utilities commission orders the ~~investor-owned~~ 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 other catastrophic wildfires concludes that the conduct of a ~~cooperative utility, other~~ a governmental entity, or private landowner 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 ~~investor-owned~~ public utilities pursuant to subsection (c).

(h) If the administrator determines that the contributor acted imprudently and that such imprudence caused or contributed to the severity of the catastrophic wildfire, the administrator shall recommend that the board require 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.

Thank you for the opportunity to testify on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committees on Water & Land and Consumer Protection & Commerce

Wednesday, March 13, 2024

2:00 p.m.

State Capitol, Conference Room 329 and Videoconference

With Comments

Senate Bill No. 3344, SD2, Relating to Wildfires

Chairs Ichiyama and Nakashima, Vice Chairs Poepoe and Sayama, and Members of the Senate Committees on Water & Land and Consumer Protection & Commerce:

The Office of the Governor offers the following comments on S.B. No. 3344, SD2, Relating to Wildfires.

S.B. No. 3344, SD2, establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State, requires the Corporation's board to report to the Legislature and appropriates 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.

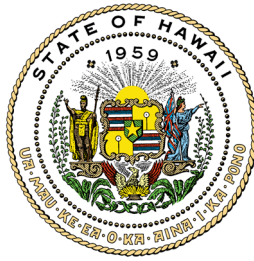
The bill proposes to establish a fund that the state, the electric utility, telecom companies and private landowners may contribute to a relief fund that would then potentially cover future claims arising out of a catastrophic future wildfire. While the Office of the Governor sees this proposal as one 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.

Testimony of Office of the Governor
S.B. No. 3344, SD2
March 13, 2024
Page 2

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 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.



HOUSE COMMITTEE ON WATER AND LAND
The Honorable Linda Ichiyama, Chair
The Honorable Mahina Poepoe, Vice Chair

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair

S.B. NO. 3344, S.D. 2, RELATING TO WILDFIRES.

Hearing: Wednesday, March 13, 2024, 2:00 p.m.

The Office of the Auditor offers the following comments on § -6 of S.B. No. 3344, S.D. 2, which requires the Auditor to conduct an annual audit of the Wildfire Relief Fund Corporation (corporation) and Wildfire Relief Fund (fund) pursuant to Chapter 23, Hawai'i Revised Statutes (HRS). As part of that annual audit, the Auditor can contract with "a firm qualified to perform an independent actuarial review" to, among other things, reconcile changes in actuarial assumptions and reserve values from the preceding year as well as to assess the future financial viability of the fund.

Based on the requirement that the audit be conducted using generally accepted accounting principles in § -6(d), we assume the annual audit required by the bill is a *financial* audit and request that the bill be amended to specify that the Auditor conduct an annual *financial* audit of the fund. The audits that we conduct at the Legislature's direction are *performance* audits, which generally assess whether a state agency is effectively and efficiently performing activities key to its statutory mission. We contract with independent CPA firms to conduct the financial audits of a number of state departments and programs as well as the State of Hawai'i Annual Comprehensive Financial Report (or ACFR).

Thank you for considering our testimony.

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: SB 3344 SD 2

INTRODUCED BY: Senate Committees on Ways and Means and Judiciary

EXECUTIVE SUMMARY: Establishes the Hawai‘i wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

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 catastrophic wildfire victims to apply for a payment from the fund in exchange for releasing the contributors or their affiliates, employees, agents or insurers from liability.

SD 2 defines “eligible claim” and restricts participation by an electric utility that is subject to liability proceedings or insolvency claims from participating in the Hawaii Wildlife Relief Fund, unless it provides a risk-based wildfire protection plan meeting specified conditions and approved by the Public Utilities Commission.

EFFECTIVE DATE: July 1, 2040.

STAFF COMMENTS: On November 30, 2023, we published a commentary on “The Lahaina Recovery Fund,” reprinted below, where we recognized some of the features of the fund as it was then proposed. This bill proposes to not only create such a fund but also to keep it around to deal with future emergencies.

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.



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 13, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON WATER & LAND
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY ON SB 3344, SD2
RELATING TO WILDFIRES

Conference Room 329 & Videoconference
2:00 PM

Aloha Chairs Ichiyama and Nakashima, Vice-Chairs Poepoe and Sayama, 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 SB 3344, SD2, 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 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 SB 3344, SD2. Thank you for this opportunity to provide comments on this measure.



Testimony Before the House Committees on Water & Land and
Consumer Protection & Commerce

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

Wednesday, March 13, 2024; 2:00 pm
Conference Room #329 & Videoconference

Senate Bill No. 3344 SD2 - RELATING TO WILDFIRES

To the Honorable Linda Ichiyama and Mark M. Nakashima, Chairs, Honorable Mahina Poepoe and Jackson D. Sayama, Vice Chairs, 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 offers comments on this measure.

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 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, we have concerns about the bill's potential negative impact to KIUC. In order to support the establishment of a Wildfire Relief Fund, KIUC would need much more information on costs and potential benefits of participating, both initially and ongoing.

The preamble to SB 3344 SD2 states that the measure is designed in part 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."

While this is undoubtedly a consideration for an investor-owned utility such as Hawaiian Electric (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.

In light of these concerns and, in the event this bill moves forward, KIUC suggests the following amendments, to **§ -7 Wildfire relief fund; participation**, which would allow KIUC the option of becoming a contributor if, after further review, participation in the Wildfire Relief Fund is found to have a net benefit to KIUC and its members.

Amendment 1: Page 18, line 21: "potential contributors, other than the State and investor-owned electric"

Amendment 2: Page 20, line 11: "(3) From investor-owned electric utilities, \$; and"

Amendment 3: Page 23, Line 4: "amount to be paid by each contributing electric utility, other"

Should the committees choose not to adopt proposed amendments 1-3, KIUC requests the following amendment to **§ -8 Wildfire relief fund; funding**, which would acknowledge KIUC's status as a member-owned cooperative and allow KIUC to fully recover fund contribution costs unless the public utilities commission directs otherwise:

Amendment 4: Page 24, line 14: "(k) Utility Contribution. One hundred per cent of a cooperative utility's contributions and [F]ifty percent of..."

In summary, we ask that you evaluate the potential impacts to KIUC in your decision-making.

Thank you for your consideration.



Hawaii Cattlemen's Council, Inc.

COMMITTEE ON WATER & LAND

Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair

**COMMITTEE ON CONSUMER PROTECTION &
COMMERCE**

Rep. Mark M. Nakashima, Chair
Rep. Jackson D. Sayama, Vice Chair

SB3344 SD2
RELATING TO WILDFIRES

Wednesday, March 13, 2023, 2:00 PM
Conference Room 329 & Videoconference

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

The Hawaii Cattlemen's Council **supports SB3344 SD2** which establishes the Hawai'i Wildfire Relief Fund and Hawai'i Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if it does, especially for our local families. 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

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





INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

JOINT HOUSE COMMITTEE ON WATER & LAND and CONSUMER PROTECTION & COMMERCE

HEARING DATE: Wednesday, March 13, 2024
TIME: 2:00 p.m.
PLACE: State Capitol
Conference Room 329

RE: Testimony on Senate Bill 3344 SD2 with Requested Amendments

Aloha Honorable Chair(s) Ichiyama and Nakashima, Vice Chair(s) Poepoe and Sayama, 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 the original intent of Senate Bill 3344 SD2 with additional amendments.

IBEW 1260 is comprised of approximately 3,000 members representing Hawaii's electric utility companies as well as Government Service Contracts, and Media Personnel throughout Hawaii, Guam, and Wake Island. Our portion of our membership 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 the original intent of Senate Bill 3344 SD2 which establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State, and generally seeks to establish a streamline process to provide mitigative relief and economic stability to all who would be affected by "future" catastrophic events however, IBEW 1260 respectfully requests your committee consider the removal of certain provisions found on **page 16, line(s) 14 thru 21, items (g)(1) and (g)(2)**, *as it relates to a review of organizational structure, and the separation of energy generation and energy transmission, as well as review of local governance including a modification of the governance structure.*

Recognizing the importance electrical utilities play in the overall health and welfare of our community, and the severe economic impacts that may be caused by future catastrophic events, SB3344 as originally drafted provided the tools and resources needed to mitigate such events. ***Imposing such conditions described above runs counter to this intent, negates the positive outcomes and economic relief sought, and may cause immeasurable hardship to our union and to our membership.***

Hawai'i's commitment to hardening the electrical grid and ensuring its overall integrity, resiliency and reliability relies upon reasonable certainty, stability and mitigative processes that ensure the continued viability of Hawai'i's electric utilities.

Mahalo for the opportunity to testify on this important matter.

Senate Bill 3344 SD2 – Relating to Wildfires

TESTIMONY

Hawaii State House of Representatives
House Committee on Water & Land
House Committee on Consumer Protection & Commerce
Wednesday, March 13, 2024
2:00 p.m.

Aloha Chair Ichiyama, Vice Chair Poepoe, Chair Nakashima, Vice Chair Sayama, and Members of the House Committees on Water & Land and Consumer Protection & Commerce:

Mahalo for the opportunity to provide testimony in support of SB 3344 SD2. AES shares Hawai'i's vision for a 100% renewable energy future. We are working to accelerate and support Hawai'i's transition toward a carbon-free energy future with renewable projects across the Hawaiian Islands totaling over 300 MW of solar, solar plus storage, hydro and wind resources in operation or under contract, with 102.5 MW of Stage 1 projects, 37 MW of Stage 2 projects, and 146 MW newly awarded in Stage 3.

The purpose of SB 3344 SD2 is to establish the Hawaii Wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and to appropriate funds. Following the Maui Wildfires that resulted in tragic losses of life, personal injuries and property damage, AES Hawaii fully appreciates and supports the **intent** of this measure, as stated, as well as the proposal's intent to address the future stability of the investor and electric utility. Indeed, Hawai'i needs a stable utility in order to meet the ambitious renewable energy goals embedded in our state energy policy.

However, we also understand that numerous stakeholders are seeking clarification on various aspects of this legislation and look forward to following the progress or these discussions through the legislative session.

Mahalo for your consideration.



Sandra Larsen
President
AES Hawai'i



Email: communications@ulupono.com

HOUSE COMMITTEES ON WATER & LAND AND CONSUMER PROTECTION & COMMERCE
Wednesday, March 13, 2024 — 2:00 p.m.

Ulupono Initiative supports the intent of SB 3344 SD2, Relating to Wildfires.

Dear Chair Ichiyama, Chair Nakashima, 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 of SB 3344 SD2 and offers comments. This bill establishes the Hawai'i Wildfire Relief Fund and Hawai'i Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

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. The establishment of the Hawai'i Wildfire Relief Fund and Corporation could be an important opportunity to address the financial aftermath of such disasters. This initiative can help serve as a safety net for those affected, ensuring that residents have the support they need to rebuild their lives and homes without the overwhelming burden of financial insecurity.

Ulupono offers the following comments/suggestions to improve the bill's effectiveness:

Ulupono questions the feasibility or effectiveness of the conditions set forth in Section 7 (g) 2 and 3, which state that an electric utility that is subject to proceedings for liability or insolvency claims related to a catastrophic wildfire as of the effective date of this chapter may participate in the fund only if the utility provides, and the commission approves, a plan that reviews the "organizational structure of the electric utility and the separation of energy generation and energy transmission and distribution" as well as "local governance and accountability..." While Ulupono does not object to the discussion and evaluation of various ownership and organizational structures for public utilities, requiring such an analysis as a condition of participation in the wildfire relief fund may not be the appropriate venue.

Investing in a Sustainable Hawai'i



The establishment of the Hawai'i Wildfire Relief Fund has the potential to help provide much-needed support and relief to those affected by wildfires in our state. By offering a reliable source of compensation, the fund will enhance the resilience of our communities, enabling quicker recovery and rebuilding efforts, and minimizing the long-term socio-economic impacts of wildfires.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

March 12, 2024

RE: SB 3344 SD2: Relating to Wildfires

Dear Chair Ichiyama and the Committee on Water and Land, and Chair Nakashima and the Committee on Consumer Protection and Commerce,

Founded in 1968, the Kona-Kohala Chamber of Commerce works to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. With 470 member businesses and organizations, our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

The Kona-Kohala Chamber of Commerce **supports** SB 3344 SD2: Relating to Wildfires.

The catastrophic event in West Maui reminds us of how vulnerable we are to the dangers of wildfires. SB 3344 SD2 proposes a future solution to create a wildfire relief fund to help potential victims recover from any catastrophic wildfire.

In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund. This bill aims to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

We ask you to pass SB 3344 SD2: Relating to Wildfires.

Sincerely,



Wendy J. Laros, President and CEO
Kona-Kohala Chamber of Commerce

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

**BEFORE THE HOUSE COMMITTEES ON WATER AND LAND &
CONSUMER PROTECTION AND COMMERCE**

S.B. 3344, SD2 – RELATING TO WILDFIRES

March 13, 2024 at 2:00 p.m.
Hawai‘i State Capitol Rom 329 & Videoconference

To: Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair
Members of the Committee on Water & Land

Rep. Mark Nakashima, Chair
Rep. Jackson Sayama, Vice Chair
Members of the Committee on Consumer Protection & Commerce

Re: Testimony providing comment for SB 3344, SD2 with a requested amendment

Aloha Honorable Chairs, Vice-Chairs, and Committee Members:

Thank you for this opportunity to testify on SB 3344, SD2, which seeks to establish the Hawai‘i Wildfire Relief Fund and Corporation, similar to what California did with its California Wildfire Fund (“CWF”). Our hearts are with Maui during this challenging time as residents and businesses continue to recover from the devastating wildfires. Hawaiian Telcom’s employees and business were also directly impacted by the wildfires. Our company remains engaged with federal, state, county, and community leaders as we collaboratively work together and offer support to the affected communities.

While we hope never to experience another wildfire, should one occur, this bill aims to create a Hawai‘i Wildfire Relief Fund for victims and provide affected families and businesses with a process for recovering property damage. To be consistent with the CWF, we respectfully request the bill be amended to focus its funding on electric and gas utilities operating within the state. We respectfully ask the Committee’s adoption of the following proposed amendment.

Thank you for considering this amendment and the opportunity to comment on SB 3344, SD2.

1 **§ -7 Wildfire relief fund; participation.** (a) The
2 following entities may participate in the wildfire relief fund
3 as contributors:

- 4 (1) The State;
- 5 (2) Electric utilities;
- 6 (3) Public utilities that are not electric utilities that
7 contribute to the risk of occurrence or severity of a
8 catastrophic wildfire, including public utilities for
9 the production, conveyance, transmission, delivery, or
10 furnishing of gas ~~and for the conveyance of~~
11 ~~telecommunications messages;~~
- 12 (4) Other governmental entities; and
- 13 (5) Private property owners who own, or whose affiliated
14 persons or entities own in the aggregate, at least one
15 thousand acres of land in Hawaii.

16 (b) To participate in the wildfire relief fund, an entity
17 shall:

- 18 (1) Notify the administrator that it intends to
19 participate in the wildfire relief fund
20 by in the year preceding the year in which





SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 12, 2024

TO: Representative Linda Ichiyama
Chair, Committee on Water & Land

Representative Mark M. Nakashima
Chair, Committee on Consumer Protection & Commerce

FROM: Matt Tsujimura

RE: **S.B. 3344 S.D. 2 – Relating to Wildfires**
Hearing Date: Wednesday, March 13, 2024 at 2:00PM
Conference Room: 329

Dear Chair Ichiyama, Chair Nakashima, 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 S.B. 3344 S.D. 2, Relating to Wildfires.

S.B. 3344 S.D. 2 establishes the Hawaii Wildfire Relief Fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

S.B. 3344 S.D. 2 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.

Surprisingly, S.B. 3344 S.D. 2 does not appear to *require* any type of wildfire mitigation plan by contributing entities to prevent catastrophic wildfire events. Rather, the

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

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.

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII ASSOCIATION FOR
JUSTICE (HAJ) IN OPPOSITION OF
SB 3344 SD2**

Date: Wednesday, March 13, 2024

Time: 2:00 p.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 SB 3344 SD2 - 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." SB 3344 SD2 seeks to immunize 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.

Any property owner or property insurer, other than a contributor, that accepts the depletion payment shall:

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

(2) Any Contributor against whom a claim is brought by a recipient of a depletion payment shall be entitled to a credit against their financial liability as to that claimant, in an amount equal to the depletion payment received by the claimant multiplied by the Contributor's proportion of contribution to the Wildfire relief fund relative to the other Contributors.

(g) After the payments to all claimants who accepted the depletion payment have been made, and within three (3) years from the date of the fire, the administrator ~~may recommend to the board, and the board may decide, in its discretion, to make further payment to all claimants who accepted the depletion payment.~~ shall make additional payments to each claimant who accepted the depletion payment, which payments, added to the depletion payment, shall be equal to the full value of the administrator's determination of the amount of payment due to each claimant. ~~The board shall adopt rules pursuant to chapter 91 for the making of this decision.~~

(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."

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 SB3344. Please feel free to contact me should you have any questions or desire additional information.



**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE
SB 3344, SD2
Relating to Wildfires**

March 13, 2024 at 2:00 pm
State Capitol, Conference Room 329

Jason Benn
Senior Vice President Chief Information Officer
Hawaiian Electric

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama,
and Members of the Committees,

My name is Jason Benn, Senior Vice President & Chief Information Officer for Hawaiian Electric and I am testifying **in support of SB 3344, SD2, Relating to Wildfires. I am also requesting important amendments to fill in remaining blanks in the bill, including its financial numbers, to respond to stakeholder concerns, and to clarify the logistics and timing of the bill. We hope to work with the committees to improve the language of the bill and make it as effective as possible.**

SB 3344, SD2 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. SB 3344, SD2 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. These measures are 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 as originally drafted 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.

We have proposed a number of amendments to SB 3344, SD2, which we have outlined in detail in both an attached red-line, and an attached memorandum that explains each of these amendments. As detailed in the attachments, these amendments are intended to achieve four goals:

1. **Clarify the timing of the Fund to enable it to be operational by February 14, 2025.** We have made 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.
2. **Specify numbers for contribution amounts and payment amounts, and clarify that the State may make its contribution via a contingent guarantee.** Our amendments add in all remaining numbers to the bill, which previously were blank. The amendments specify that the total capitalization amount for the Fund will be \$1 billion, which includes \$333.3 million for the State, \$333.3 million for Hawaiian Electric, and \$333.3 million to be split among remaining contributors. The amendments also clarify, consistent with Hawaii law, that the State may provide the vast majority of this contribution—\$324 million—via a contingent guarantee that requires a payment by the State only if there is in fact a catastrophic wildfire that exhausts the available resources of the Fund. In this way, the Fund is designed to minimize the financial burden on the State while still ensuring it is sufficiently capitalized to protect beneficiaries. The amendments also clarify the amount of compensation the Fund offers property owners and insurers, which were carefully selected to reflect that the Fund offers such payments regardless of whether any credit-worthy party is alleged to have caused the fire.

3. Clarify or add certain provisions in response to feedback from stakeholders, including insurers and the Hawaii Office of the Auditor.

The amendments make certain changes—such as to the provisions involving property insurers or contemplating audits—in response to feedback from stakeholders.

4. Address other substantive amendments we believe are important. Our amendments also address provisions added by SD1. Those include:

- Edits to the provision requiring Hawaiian Electric to submit a plan to the PUC in advance of participating in the Fund that modify the language in small ways (a) to not limit the scope of PUC review, and (b) to encourage review of important policy questions—rather than impose immediate changes. The edits also clarify the timing of that plan approval requirement to avoid delaying the successful operation of the Fund and thereby hurting beneficiaries.
- An edit that clarifies that Hawaiian Electric’s \$333.3 million contribution to the Fund may be paid in rates or via a securitization. As specified in our attached memorandum, we hope to pay for this contribution with a securitization, and we will propose language to any securitization bill that minimizes the burden on ratepayers from that payment.
- Other edits that improve the fund, such as permitting the State to condition participation of other contributors on preparing wildfire mitigation plans, just as Hawaiian Electric is now required to do.

As noted, we address these amendments in more detail in the attached talking points. In short, if passed SB 3344, SD2 would:

- Provide expedited compensation to property owners for uninsured losses—with no up-front out of pocket costs, and without the need for time-consuming, costly, and uncertain litigation.
- Provide compensation to state and local governments for losses, including the costs of fire suppression and damage to infrastructure.
- Reimburse property insurers a percentage of their payments to their policyholders. Again, this would be accomplished through an expedited, low-cost, non-litigation process.

Other noteworthy features of SB 3344, SD2 include:

- The fund would pay regardless of the cause. If a fire is caused by arson, fireworks, trash fires or natural events, or where a fire cannot be legally attributed to a financially capable party, property owners have no recourse to

recover their uninsured losses. This bill seeks to address that, while also eliminating costly and lengthy litigation.

- Contributors to the fund would be the State, electric utilities, large landowners, and counties, if those entities voluntarily choose to participate.
- Participation of property owners and property insurers would also be completely voluntary. In exchange for the benefits the Fund offers such beneficiaries regardless of how a fire was started, these beneficiaries would not be able to sue those who contribute to the fund. Contributors, for their part, would provide funds available to compensate beneficiaries no matter the cause of a catastrophic fire—pooling their resources to provide a financial backstop regardless of fault. At the same time, the bill includes a process to hold contributors accountable if they are found to have caused or contributed to the spread of fire, by means of a reimbursement to the fund.
- All property owners that do not opt out of the program via their annual property tax assessment would be participants. This pre-event opt-out procedure parallels class action settlement regimes, which courts have repeatedly held protect the rights of participants. This feature is essential, as it makes it possible for the fund to cover all catastrophic wildfires regardless of fault. If property owners could choose to participate *after* a wildfire occurred, they might participate only when no credit-worthy contributor was alleged to have caused the fire—taking the benefit of the fund when they believe there is no one to sue—while choosing to otherwise litigate. That would undermine the fund’s capacity to cover all catastrophic wildfires—its essential feature—because it would undermine the fund’s ability to attract contributors, who would have no reason to pay to cover all catastrophic wildfires, regardless of cause. It would also undermine the fund’s goal of providing a mechanism for compensation outside of the litigation system.

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, SB 3344, SD2 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.

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 support of this important bill. Please pass SB 3344, SD2 with amendments.

Guide to SB 3344, SD2 Amendments

We have proposed amendments to SB 3344 SD 2 to do three things. First, the edits clarify the timing of the fund and the sequencing of the fund set-up process, to enable it to be operational by February 14, 2025. Second, the amendments specify numbers for contribution amounts. Third, the amendments clarify or add certain provisions in response to feedback from stakeholders, including insurers and the Hawaii Office of the Auditor. Finally, the amendments address other substantive provisions in SD 2 that we believe should be modified. Page numbers correlate with attached redlined bill.

1. Definitions. §1.

a. Add language to “Catastrophic Wildfire” definition. (p. 3.)

The bill modifies the definition of Catastrophic Wildfire in two ways. First, it clarifies that a wildfire is covered by the fund only if it occurs on or after the “Operation Date,” a term that is separately defined as the earliest date on which all contributors and beneficiaries have elected to participate in year 1.

Second, the definition clarifies that “residential structures” are those “designed for habitation.” This addresses an ambiguity in the current definition: if a residential household has ancillary structures, such as an outhouse; garage; or barn—all three might count as “residential” structures for purposes of counting to five hundred. That would broaden the scope of the fund in an unintended way.

`"Catastrophic wildfire" means a wildfire occurring on or after the effectiveOperation Date of this Act that damages or destroys more than five hundred residential or commercial structures or residential structures designed for habitation.`

b. Edit definitions of “eligible claim,” “property insurer,” and “property owner” to clarify who may participate in the fund as a beneficiary and what they may seek as compensation. See also edits to §§ 13, 14. (pp. 3-4.)

In response to feedback from insurance companies, we clarified which beneficiaries are eligible for the fund and what sorts of property damage they may seek compensation for.

Property Owners. A property owner would be eligible to participate only if she owns real property; but eligible real property owners would be able to seek compensation for all uninsured property losses, including real and personal property. If someone is a beneficiary, they should present all of their property claims into the fund—rather than split them up between the fund and litigation. Other edits in section 13 clarify this further.

Property Insurers. The Fund, by contrast, allows any property insurer—of real or personal property—to participate and seek compensation associated with either form of insurance. That is because insurers tend to file collective subrogation suits—and it serves the purpose of the Fund—to limit litigation—to allow all property insurers to participate. Again, edits in Section 14 effect this intent.

"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.

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

"Property Owner" means an owner of real property in Hawaii.

c. Define "Operation Date." (p. 4.)

A key edit in this draft is to define the "Operation Date," which is the date after which a catastrophic wildfire is covered by the fund.

Three events *must* occur before the Operation Date: the opt out date for property owners; the election date for property insurers; and the election date for fund contributors. That is because it is crucial to the structure of the fund that all of these entities must decide to participate *before* they know whether there will be a wildfire, and who, if anyone, will be alleged to have caused it. Like any form of insurance—and in particular, this form of collective insurance—it would not be fair to allow property owners to join already knowing, for instance, that a fire was

not caused by a creditworthy defendant; or a contributor to join already knowing that they have been alleged to have caused a fire.

Based on a timeline we generated, we concluded that February 14, 2025 is a feasible Operation Date if the Administrator and Board move quickly. To promote that date, we included it in the Act.

"Operation Date" means the date by which all of the following have occurred in advance of the first year of fund operation: (i) the deadline for property owners to submit opt-outs under section -13(d), (ii) the deadline for property insurers to submit elections under section -14(a), and (iii) the date for contributors to elect to participate in the fund under section -7(b); provided, that the Administrator is directed to take all reasonable steps necessary to ensure that the Operation Date is not later than February 14, 2025.

d. Define "Upfront" payment. (p. 4.)

It is already the case that a contributor may make initial payments over a five-year period—a lump sum payment and then annualized payments. In this edit of the bill, we clarify more precisely how that process works, including the timing and the obligation to pay interest on deferred payments. This definition is in service of those amendments.

"Upfront" payment or contribution 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, by contrast to "annual" payments or contributions which are deferred over multiple years.

2. Identify number of Board members. §4. (p. 7.)

We clarified the number of Board members at five.

3. Clarify scope of audit. §6. (p. 10.)

This adds the word “financial” before audit in §6 at the request of the State office of the auditor.

condition of the wildfire relief fund.

§ -6 Wildfire relief fund 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.

4. Edit contributor election provision to clarify timing of of election vs. contribution. §7. (p. 12.)

We made edits to the provision whereby contributors elect to be a part of the fund. These edits work with other edits in the Act to clarify that a contributor must elect to participate by the Operation Date, but need not make the contribution by that date.

This bifurcated timing is for two reasons. First, it is the contributor’s election that must happen before wildfires can be covered by the fund—to avoid the moral hazard of a contributor signing up already knowing they have been accused of causing a fire. But the contribution can come later. Second, a contributor may require time to gather the necessary funds to make their initial payment. To have the election date as early as possible, the contribution date should come later.

To make this all work, we also clarified that when a contributor elects to participate, they are obligated to make the initial contribution.

(b) (1) To participate in the wildfire relief fund as a contributor, an entity shall:

(1i) 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

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

(2) By making the election under subsection (b)(1), the participant is required to make an initial contribution.

5. Edits to plan requirement for electric utility participation. §7(g). (pp. 13-15.)

§7(g) of SD 2 added a provision that requires any electric utility that has been sued in regards to the Lahaina Fire to submit a plan to the PUC in advance of participating in the Fund. We kept the structure and requirements of this provision, but suggested modifications (a) to clarify the timing of this requirement in a way that does not serve to undermine or delay the Operation Date and success of the fund; and (b) to modify some of the provisions of the plan consistent with what we understand is the intent: to promote the study and consideration of important policy changes without imposing them without further study and deliberation.

a. Modify first paragraph

The earlier language’s triggering requirement—plan required for any electric utility that is “subject to proceedings for liability or insolvency claims related to a catastrophic wildfire”—was ambiguous. We clarified that it means “a defendant in a civil action” related to such a fire. We also clarified what “catastrophic wildfire” means—since no wildfire that occurs before the Operation Date is a catastrophic wildfire under the new definitions in the act. This way, the intent of the provision—to encompass the Lahaina Fire—is captured.

(g) Notwithstanding any provision to the contrary, an electric utility that is ~~subject to proceedings for liability or insolvency claims related to a catastrophic wildfire~~ 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 of this chapter, 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:

b. Clarify the requirements of the electric utility’s plan.

Because the issues addressed in these provisions raise significant policy questions that could affect ratepayers, we understand SD 2 to be requiring study of these issues, rather than imposing new obligations. We agree with that approach. These are important issues, but they are also complicated ones. For instance, multiple news outlets have written about the enormous burden on ratepayers that splitting generation and transmission facilities can create.¹ Separately, in 2019, the State of Hawaii, through London Economics, commissioned an independent study of utility ownership models.² The study concluded that changing the ownership model of the utility would not be the way to improve electric services. Instead, the State could achieve its goals through regulatory reform rather than a change in the utility ownership model.

Our edits do not take any of these options off the table. They simply modify the language in small ways (a) to not limit the scope of PUC review, and (b) to encourage review of these important policy questions—rather than impose immediate changes.

¹ <https://www.nytimes.com/2023/01/04/business/energy-environment/electricity-deregulation-energy-markets.html>; <https://www.wsj.com/articles/texas-electric-bills-were-28-billion-higher-under-deregulation-11614162780>.

² https://energy.hawaii.gov/wp-content/uploads/2019/06/HI_DBEDT_UtilityModelStudy.pdf

- (1) The plan limits the burden to the rate payers of the electric utility;
- (2) The plan provides for a review of organizational structure of the electric utility and the separation of energy generation and energy transmission and distribution 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 re-orientation of the management and board of directors of the electric utility, to create further safety accountability and better representation of its emphasize safety and customers, including enhanced oversight and enforcement processes' interests;
- (4) The plan includes a framework for addressing wildfire safety and risk management, including monitoring, review, oversight and enforcement, independent review and oversight 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 provides for 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 risk-based wildfire protection 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.

c. Clarify the timing of plan approval to avoid delaying utility participation in the fund.

As the contribution amounts make clear, it is important that the electric utility participate in the fund—as that is the most significant source of upfront capital for the fund to pay beneficiaries. But with an Operation Date in February 2025, the new requirement that the utility first submit a plan for approval to the PUC could result in delay.

Subsection (i) clarifies that the PUC can approve the plan at any point during a year after the Operation Date without affecting the utility's ability to participate in the fund from day 1. Ideally, the PUC will rapidly approve any submitted plan and this provision will never need to be invoked.

Under this new provision, the utility may elect to participate in the fund before a plan is approved. It then must wait until plan approval to make its upfront contribution. But so long as it makes that contribution within 30 days of plan approval (assuming the plan is at least approved within a year of the Operation Date), the utility has the full benefits as a contributor in year 1.

Again, if the PUC approves the plan faster, the utility will be in a position to make an earlier contribution.

(i) An electric utility that is required to submit for approval a plan under subsection (g) may make the election under subsection (b) (1) prior to approval of a plan under subsection (g), but shall not make any money contribution prior to such approval. The utility shall not be deemed to have failed to make a required payment under -10(b), provided it otherwise complies with this subsection (i). In the event that the commission approves the plan after the Upfront Payment Date, but within one year of the Operation Date, the utility that submitted the plan may participate in the fund as a contributor, and shall be afforded all rights and privileges under this Chapter of a contributor as of the Operation Date, by making an Upfront payment within 30 days of that approval, notwithstanding any earlier deadlines in this Chapter. In the event that the commission approves the plan more than one year after the Operation Date, the utility that submitted the plan may participate as a contributor only under section -8(e), and will not be considered a contributor prior to that later election date. The wildfire relief fund will have no claim against a utility for failing to make any money contribution on the basis

§1489230.8

that the commission has not yet approved a plan under subsection (g).

6. Permit conditioning participation of other contributors on wildfire mitigation plans. §7(h). (p. 14.)

Currently, there is legislation to require electric companies to submit wildfire mitigation plans to the commission for approval. This provision makes clear that, if the State requires such plans from other contributors—for instance, from private landowners or other utilities—it may condition participation on approval of such plan. §7(g) already conditions an electric utility’s participation on the same requirement, and there is no reason to draw a distinction among contributors who, by definition, are permitted to contribute because they add to the risk of a wildfire in Hawaii.

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

7. Adding total capitalization and contribution amounts. §8. (pp. 15-17.)

We filled in money amounts: \$1 billion total capitalization, split three ways between (a) the State (largely in the form of a pledge, addressed below); (b) HECO; and (c) other contributors.

(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:

(a) Collectively, \$333.3 million:

(1b) From other governmental entities that are eligible to elect to participate in the wildfire relief fund, ~~an~~ a fraction of such 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;

(2c) ~~From~~ For public utilities other than investor-owned electric utilities, and private landowners that are in all cases eligible to participate in the wildfire relief fund, ~~an~~ from private 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 investor-owned electric utilities, \$333.3 million; and

(4) From the State, \$333.3 million, comprised of a \$9.3 million money contribution and a pledge of \$324 million under Section -8(m).

8. Delete actuarial study requirement. Previous §8(b). (p. 15.)

We deleted the requirement that the Board commission an actuarial study in 2024. The act still gives the Board the power to hire actuaries as it sees fit in its discretion.

~~———— (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 wildfires. The board shall include this assessment in the annual report that it submits to the legislature and governor under section —4. The legislature shall consider that assessment, as well as other information submitted in the annual report, to determine whether adjustments to the wildfire relief fund, including to its total capitalization amount, should be implemented.~~

9. Specifying total capitalization refers to financial capacity. § 8(b). (p. 16.)

We added language to specify that total capitalization refers to the financial capacity of the fund, not to the liquid amount of money that must be in the fund. This helps to clarify why it is acceptable for the State to provide a pledge—rather than upfront money—and also shows that the Administrator may capitalize the fund using creative sources, such as insurance.

~~(e)~~ 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 actuarial factors identified in subsection ~~(e)~~ and with the goal of, to the extent reasonably possible, having the wildfire relief fund ~~reach~~have the financial

51482308

capacity to cover claims equal to the total capitalization amount within five years of the ~~effective date of this Act~~Operation Date, taking into consideration reasonably expected investment returns, actual and expected contributions to the fund, contingent guarantees, insurance purchased by the fund, and any other mechanisms that increase the financial capacity of the fund, and assuming no payments will be made by the wildfire relief fund during that time period.

10. Added State pledge language. § 8(c)(4), §8(l). (pp. 21-22.)

This section requires the State to contribute a sufficient amount to the fund through an initial money contribution and an irrevocable pledge for the rest—*i.e.*, a contingent guarantee. That way the State will have to provide the majority of funds *only* if necessary, because other contributors' funds are insufficient to cover the full liability to the fund of a catastrophic wildfire. This provision lessens the financial burden on the State of contributing to the fund. The proportion of money to pledge could be changed at the request of the State.

(1) The State shall make its initial money contribution of \$9.3 million to the Fund as soon as practicable after the effective date, to be used to pay for Fund operations in advance of the Operation Date. The State shall irrevocably pledge to appropriate and provide up to \$324 million, as follows. 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 Fund, the Administrator shall demand, and the State shall be obligated to provide, a contribution to the wildfire relief fund. The Administrator shall demand, and the State shall provide, this contribution before the Administrator seeks additional funding through supplemental contributions under

§14-2204

21

section -8(f), or loans under section -8(k). The obligation to provide this money in the event that the requirements of this subsection are met constitutes an irrevocable guarantee of the State, backed by the full faith and credit of the State. At no time shall the aggregate amount of the State's financial responsibility to the fund, contingent or otherwise, under this sub-section exceed \$324 million. The Administrator, in making the calculations under -8(f), -11(a), and -16, shall treat the amount remaining on this pledge as capital in the wildfire relief fund for purposes of computing the total capitalization of the fund.

11. Modify late contributor provision. §8(e). (pp. 18-19.)

This section just simplifies how a potential contributor can join the fund after year 1. The previous language was more complicated than necessary.

12. Utility contribution through ratepayers. §8(j). (pp. 20-21.)

As we've previously explained, it is reasonable for the utility's contribution to be recovered in rates. That is for multiple reasons:

- The fund operates as a form of going-forward liability insurance. Historically, utilities in Hawaii—like utilities across the country—are permitted to pass the cost of such insurance to ratepayers.

- The initial contribution is not connected to a utility’s imprudent conduct—and indeed, a separate provision ensures that shareholders will pay in the event of such conduct.
 - The fund already requires shareholders to make substantial replenishment payments in the event that a utility is found to have imprudently caused or exacerbated a catastrophic wildfire. §9.
 - The initial contribution to the fund is not connected to the utility’s imprudent conduct at all: that money can be used to cover wildfires that the utility isn’t alleged to have caused; wildfires it is alleged to have caused, but not through imprudent conduct (for instance, wholly non-negligent, unavoidable accidents); wildfires other contributors are alleged to have caused, etc.
 - Requiring shareholders to cover the initial contribution wrongly suggests that this initial payment is connected to imprudent conduct; and it double-penalizes the utility and shareholders, because *if* the utility imprudently causes a wildfire, its shareholders will separately have to make a replenishment payment.

That said, we are sensitive to the importance of limiting the burden on ratepayers. As this amendment reflects, our plan is to use securitization to pay for this initial contribution, and to propose a limit, in the securitization act, on the total rate increase that all wildfire securitizations can result in. That structure is more protective of ratepayers—as it treats all securitizations, whether for the wildfire relief fund, wildfire mitigation plan, or, if permitted, settlement payments—together, viewing the burden of ratepayers in the aggregate, rather than in isolation.

contributions in whole or in part.

(*) Utility contribution. ~~Fifty per cent of an~~ investor owned electric utility's contributions to the wildfire relief fund, including initial and supplemental contributions, may be recovered from its customers in rates, ~~unless~~ or, if authorized by law and approved by the Commission, via a securitization transaction, provided that any replenishment amount ordered by the public utilities commission directs otherwise pursuant to section ~~-9 shall not be recovered in rates.~~

13. Require interest payments for annualized initial contribution. §8(m). (p. 22.)

The fund benefits from receiving initial contributions in an upfront lump sum, because (a) it can invest those funds and (b) it faces less of a risk of a liquidity problem in the event of a wildfire. As with deferred payments in most contexts, then, this amendment clarifies that a contributor may annualize their initial contribution over five years, but must pay a reasonable rate of return to do so.

(m) A contributor may choose to request that the Administrator permit it to pay its initial contribution over a five-year period via upfront and annual payments, provided that

51489230.8

the contributor also pays interest on an all amounts deferred beyond the Upfront Payment Date at a rate equal to the State of Hawaii's average incremental borrowing rate plus two hundred basis points.

14. Clarify timing of upfront and annual payments. §8(n). (pp. 22-23.)

Consistent with the definition of Operation Date, we added a provision clarifying when the upfront payment must be made. The point of this timing provision is to provide as much time as is reasonably feasible for contributors to assemble the necessary funds for contributions after they are informed by the Administrator of their initial contribution amounts, while also providing a mechanism for the Administrator to accelerate payments if there is a wildfire.

basis points.

(n) The Upfront Payment Date shall refer to the date on which the upfront portion of all contributors' initial contributions must be paid to the Fund. The Administrator shall determine the Upfront Payment Date and announce it at least 90 days in advance. The Upfront Payment Date must be at least 30 days after the Operation Date, and in no event earlier than April 15, 2025, except that in the event that a catastrophic wildfire occurs prior to March 15, 2025, the Administrator may accelerate the Upfront Payment Date to 30 days after the Administrator provides notice to all contributors of the acceleration.

15. Add clarifying language to replenishment provision. §9(a). (p. 23.)

We clarified that a utility may have to pay the fund in the event it causes *or contributes to the severity* of a catastrophic wildfire. That makes the test for an investor-owned the utility the same as for other 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, informs the public utilities commission that ~~a catastrophic wildfire may have been ignited by the facilities~~ of an investor-owned 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 investor-owned utility's conduct leading to the catastrophic wildfire and make

16. Add payment amounts to beneficiaries. §§13, 14. (pp. 29-31.)

We filled in important blanks: an uninsured property owner can receive a maximum of \$50,000 from the fund; an insured property owner can receive the lesser of (a) 35% of uninsured losses or (b) 50% of their insurance coverage; and a property insurer can receive 20% of their payments to their policyholders.

These amounts are fair for a number of reasons. First, participants all get this benefit without a cash payment—including when a catastrophic wildfire is not caused by any contributor, let alone a contributor with the funds to cover all property damage claims. Thus, the amount cannot simply be the average settlement amount of claims against a creditworthy contributor—it must reasonably be lower. Second, the amounts reflect an important purpose of the fund: to encourage parties to cover property damage through insurance. The fund is not intended to replace insurance. Ideally, all property owners would acquire sufficient coverage to protect against property damage from wildfires—and the fund would serve only as a way of compensating property insurers and supporting them in providing that insurance.

17. Clarifying timing of property insurer election. §14. (p. 30.)

This edit clarifies that the property insurer election date is the same as the property owner opt-out date.

18. Provide Administrator more time to avoid depletion event. §16(c). (p. 33.)

This provision allows the Administrator to extend the time to avoid a depletion event by finding other sources of funding for the fund. This avoids a scenario where an administrator could get a loan or supplemental payment—but needs an additional few weeks to do so.

(c) Depletion event. If the administrator is unable, despite taking the steps under subsection (b), to secure sufficient additional funding 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 30 days.

19. Toll statute of limitations for property owners or insurers in the event of a fund depletion. §16(f)(3). (p. 34.)

The fund contemplates that, if there is a fund depletion event that will result in property owners or insurers receiving less than the amounts the fund was intended to provide, then these beneficiaries may elect to reject the fund's offer and sue. This provision protects them, by tolling the statute of limitations for any such claim from the time of the catastrophic wildfire to the time the administrator makes them a depletion offer.

20. Clarify appeal timing. §17. (pp. 35-36.)

This fills in the blanks in the appeal provision—using 30 days, which is standard across Hawaii statutes.

21. Clarify property owners cannot waive insurer claims. § 18(a)(2)(C). (p. 37.)

In response to a comment from an insurer, we have added a provision clarifying that a property owner who does not opt out of the fund cannot and does not waive an insurer's right to sue for subrogated property damage.

22. State reserve appropriation. Section 4. (p. 38.)

This requires an appropriation of a reserve—which is a requirement under Hawaii law for a State pledge of money to be effective.

commerce and consumer affairs for the purposes of this Act.

SECTION 4: On the Operation Date, there is appropriated out of the general revenues of the State of Hawaii the sum of \$32.4 million as a reserve against the contingent guarantee set forth in -8(m).

A BILL FOR AN ACT

RELATING TO WILDFIRES.

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

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. Therefore, the purpose of this Act 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 date~~ 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 -~~3~~8.

"Cooperative utility" means a ~~public~~ 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.

"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.

"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 in advance of the first year of fund operation: (i) the deadline for property owners to submit opt-outs under section -13(d), (ii) the deadline for property insurers to submit elections under section -14(a), and (iii) the date for contributors to elect to participate in the fund under section -7(b); provided, that the Administrator is directed to take all reasonable steps necessary to ensure that the Operation Date is not 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 Hawaii that, as of the date it elects to participate in the wildfire relief fund, provides insurance coverage for real or personal property loss in Hawaii caused by a catastrophic wildfire.

"Property Owner" means an owner of real property in Hawaii.

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

"Upfront" payment or contribution 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, by 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 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 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.

§ -3 Wildfire relief fund corporation; establishment; purposes; duties. (a) The wildfire relief fund corporation is hereby established as an independent public 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 as are 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 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, if not 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.

The legislature shall consider the report in determining whether any adjustments to the wildfire relief fund are necessary.

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

§ -5 Administrator; wildfire relief fund corporation.

(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 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 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 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 shall 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 is subject to the same limitations on public inspections as 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 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 governor, president of the senate, and speaker of the house of representatives 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.

(g) The legislature shall consider, after reviewing the annual report required by subsection (f), whether any adjustments to the wildfire relief fund should be implemented.

§ -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 public utilities for the production, conveyance, transmission, delivery, or furnishing of gas and for the conveyance of telecommunications messages;

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

(~~1~~i) 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~~ii) ~~Have made~~Make required contributions to the wildfire relief fund pursuant to section -8.

(2) By making the election under subsection (b)(1), the participant is 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) 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), 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 ~~subject to proceedings for liability or insolvency claims related to a catastrophic wildfire~~ **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 of this chapter, 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 limits the burden to the rate payers of the electric utility;

(2) The plan provides for a review of organizational structure of the electric utility and ~~the separation of energy generation and energy transmission and distribution~~ **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 ~~re-orientation of the management and board of directors of the electric utility~~, to ~~create further~~ **emphasize** safety ~~accountability and better representation of its~~ **and** customers, including ~~enhanced oversight and enforcement processes~~ **interests**;

(4) The plan includes a framework for addressing wildfire safety and risk management, including monitoring ~~and enforcement~~, **independent**, review ~~and~~, 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 ~~provides for~~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 risk-based wildfire protection 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) In the event that any agency of the State requires any contributor other than an electric utility to submit a plan to mitigate wildfire risk, such agency may prohibit a contributor from participating in the 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) prior to approval of a plan under subsection (g), but shall not make any money contribution prior to such approval. The utility shall not be deemed to have failed to make a required payment under -10(b), provided it otherwise complies with this subsection (i). In the event that the commission approves the plan after the Upfront Payment Date, but within one year of the Operation Date, the utility that submitted the plan may participate in the fund as a contributor, and shall be afforded all rights and privileges under this Chapter of a contributor as of the Operation Date, by making an Upfront payment within 30 days of that approval, notwithstanding any earlier deadlines in this Chapter. In the event that the

commission approves the plan more than one year after the Operation Date, the utility that submitted the plan may participate as a contributor only under section -8(e), and will not be considered a contributor prior to that later election date. The wildfire relief fund will have no claim against a utility for failing to make any money contribution on the basis that the commission has not yet approved a plan under 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 wildfires. The board shall include this assessment in the annual report that it submits to the legislature and governor under section —4. The legislature shall consider that assessment, as well as other information submitted in the annual report, to determine whether adjustments to the wildfire relief fund, including to its total capitalization amount, should be implemented.~~

——(e) 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 actuarial factors identified in subsection (b)c) and with the goal of, to the extent reasonably possible, 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 date of this Act~~ Operation Date, taking into consideration reasonably expected investment returns, actual and expected contributions to the fund, contingent guarantees, insurance purchased by the fund, and any other mechanisms that increase the financial capacity of the fund, and assuming no payments will be made by the wildfire relief fund during that time period.

(e)c) Capitalization amounts. With the exception of the State's money 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 detailed in sub-section (o), and annual contribution amounts to be made over a 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 (e)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:

(a) Collectively, \$333.3 million;

(b) From other governmental entities that are eligible to elect to participate in the wildfire relief fund, ~~an~~ a fraction of such 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;

(2c) ~~From~~ For public utilities other than investor-owned electric utilities, and ~~from~~ private landowners that are in all cases eligible to participate in the wildfire relief 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 investor-owned electric utilities, \$ 333.3 million; and

(4) From the State, \$ 333.3 million, comprised of a \$9.3 million money contribution and a pledge of \$324 million under Section -8(l).

(ed) 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 wildfire relief fund under -7(b). If an eligible contributor declines to notify the administrator that the eligible contributor wishes to participate in the wildfire

relief fund in its first year of operation and become a contributor, 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 landowner elects to become a contributor after the initial capitalization of the wildfire relief fund, the electric utility, public utility other than an electric utility, other governmental entity, or private landowner 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 landowner seeks to become a contributor, an initial contribution in an amount determined by the board by a majority vote upon the administrator's recommendation~~
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 the factors identified in subsection (b^c), ~~such that~~ and the previous and present initial contributions by all contributors reflect their relative contributions to the risk of future payments from the wildfire relief fund.

~~_____ If necessary to achieve an allocation of initial contributions, and if the election is made prior to 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~~Board shall increase the total capitalization amount ~~of the fund by the amount of the initial~~in accordance with those 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 amounts.

(~~ef~~) 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 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 electric utility, other public utility, other governmental entity, and private landowner contributor, based on an up-to-date assessment of the factors identified in subsection (~~bc~~); and

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

(~~hg~~) 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 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, rather than solely an upfront contribution, subject to the payment of interest at the rate set under subsection (m).

(~~ih~~) If the board establishes a supplemental contribution pursuant to subsection (~~gh~~), 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.

(~~ji~~) 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.

(~~kj~~) Utility contribution. ~~Fifty per cent of an~~An investor owned electric utility's contributions to the wildfire relief fund, including initial and supplemental contributions, may be

recovered from its customers in rates or, unless if authorized by law and approved by the Commission, via a securitization transaction, provided that any replenishment amount ordered by the public utilities commission directs otherwise pursuant to section -9 shall not be recovered in rates.

(~~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 money contribution of \$9.3 million to the Fund as soon as practicable after the effective date, to be used to pay for Fund operations in advance of the Operation Date. The State shall irrevocably pledge to appropriate and provide up to \$324 million, as follows. 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 Fund, the Administrator shall demand, and the State shall be obligated to provide, a contribution to the wildfire relief fund. The Administrator shall demand, and the State shall provide, this contribution before the Administrator seeks additional funding through supplemental contributions under

section -8(f), or loans under section -8(k). The obligation to provide this money in the event that the requirements of this subsection are met constitutes an irrevocable guarantee of the State, backed by the full faith and credit of the State. At no time shall the aggregate amount of the State's financial responsibility to the fund, contingent or otherwise, under this sub-section exceed \$324 million. The Administrator, in making the calculations under -8(f), -11(a), and -16, shall treat the amount remaining on this pledge as capital in the wildfire relief fund for purposes of computing the total capitalization of the fund.

(m) A contributor may choose to request that the Administrator permit it to pay its initial contribution over a five-year period via upfront and annual payments, provided that the contributor also pays interest on an all amounts deferred beyond the Upfront Payment Date at a rate equal to the State of Hawaii's average incremental borrowing rate plus two hundred basis points.

(n) The Upfront Payment Date shall refer to the date on which the upfront portion of all contributors' initial contributions must be paid to the Fund, except for the State. The Administrator shall determine the Upfront Payment Date and announce it at least 90 days in advance. The Upfront Payment Date must be at least 30 days after the Operation Date, and in no event earlier than April 15, 2025, except that in the event that a catastrophic wildfire occurs prior to March 15, 2025, the Administrator may accelerate the Upfront Payment Date to 30 days

after the Administrator provides notice to all contributors of the acceleration.

§ -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, informs the public utilities commission that ~~a catastrophic wildfire may have been ignited by the facilities of an investor-owned 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 investor-owned 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 investor-owned utility in connection with a catastrophic wildfire as follows:

(1) If the investor-utility has a wildfire risk mitigation plan that was approved by the public utilities commission, the investor-utility's conduct will be deemed to have been prudent, unless a party to the proceeding creates a serious doubt as to the prudence of the investor-owned utility's conduct; or

(2) If the investor-utility does not have a wildfire risk mitigation plan that was approved by the public utilities commission, or if the public utilities commission determines that the presumption is overcome, the public utilities commission shall determine whether the investor-owned utility acted prudently, considering only acts that may have caused the ignition and evaluating the utility's actions in the context of the utility's overall systems, processes and programs, such that an error by a utility employee would not be a basis for a finding of imprudence, unless that error 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 investor-owned utility were consistent with actions that a reasonable utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available to the 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 investor-owned utility caused the occurrence or contributed to the severity of a catastrophic wildfire, the public utilities commission shall determine whether to order the 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 utility's imprudence and factors within and beyond the 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 investor-owned 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 investor-owned utility's imprudence; or

(2) Twenty per cent of the investor-owned utility's transmission and distribution equity rate base minus the amounts the 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 investor-owned utility to reimburse the wildfire relief fund, the 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 other catastrophic wildfires concludes that the conduct of a cooperative utility, other governmental entity, or ~~private landowner~~ **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 investor-owned utilities pursuant to subsection (c).

(h) If the administrator determines that the contributor acted imprudently and that the imprudence caused or contributed to the severity of the catastrophic wildfire, the administrator

shall recommend that the board require 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 contribution, whether initial, annual, or supplemental,~~ contribution to the wildfire relief fund at least 30 days before the contribution is due.

(b) If a contributor fails to make a required contribution to the wildfire relief fund, that contributor will 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 ~~eligible~~ 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. ~~An eligible~~ 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 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 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 will be the same as the date for property owners to submit an opt-out under -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 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, another governmental entity shall elect to be a contributor ~~and shall have satisfied contribution obligations~~ pursuant to section ~~87(b)(1)(i)~~ 87(b)(1)(i) 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, 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 remaining 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 remaining 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 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 30 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 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, 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; **and**

(3) The limitation period provided 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) After the payments to all claimants who accepted the depletion payment have been 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.

(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.

§ -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 review and hearing on that determination before the department of commerce and consumer affairs.

(b) Upon receipt of a request for review of the administrator or board's determination, the department of commerce and consumer affairs shall refer the request for hearing to the office of administrative hearings for determination as expeditiously as possible. A hearing shall be scheduled for a date not more than 30 days after receipt by the department of commerce and consumer affairs 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 not later than 30 days after the hearing, decide the matter and make an order in accordance with the administrative judge's decision.

(d) Within 30 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 such 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.

C) Provided, however, that the rights of a property insurer to sue as subrogee of its policy holder 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 will be affected only if the 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 landowners 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 entity that is not a contributor for damages resulting from the catastrophic wildfire."

SECTION 3. 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.

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

SECTION 4: On the Operation Date, there is appropriated out of the general revenues of the State of Hawaii the sum of \$32.4 million as a reserve against the contingent guarantee set forth in -8(1).

SECTION ~~4~~5. 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 full-time equivalent (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 ~~5~~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.

SECTION ~~6~~7. This Act shall take effect on July 1, 2040.

Report Title:

DCCA; Hawaii Wildfire Relief Fund; Hawaii Wildfire Relief Fund Corporation; Public Utilities Commission; Catastrophic Wildfire; Report; Appropriation; General Fund Expenditure Ceiling Exceeded

Description:

Establishes the Hawaii Wildfire Relief Fund and Hawaii Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Requires the Corporation's board to report to the Legislature. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025. Makes an appropriation. Effective 7/1/2040. (SD2)

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



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the House Committee on Water and Land

Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair

House Committee on Consumer Protection and Commerce

Rep. Mark M. Nakashima, Chair
Rep. Jackson D. Sayama, Vice Chair

Wednesday, March 13, 2024, at 2PM
Conference Room 329 & Videoconference

RE: SB3344 SD2 Relating to Wildfires

Aloha Chair Ichiyama, Chair Nakashima, Vice Chairs, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") offers **testimony in general support of SB3344 SD2**, which establishes a wildfire relief fund to ensure financial resources are available to support Hawaii residents that may be impacted by a future natural disaster.

This bill would create an efficient process for recovering property damages and would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.



Hawai'i Island Chamber of Commerce

1321 Kino'ole Street
Hilo, Hawai'i 96720
Phone: (808) 935-7178
Fax: (808) 961-4435
E-mail: admin@hicc.biz
www.hicc.biz

March 12, 2024

**Testimony before the House Committees on
Water & Land
and
Consumer Protection & Commerce
March 13, 2024 at 2:00 PM
State Capitol, Room 329**

RE: SB 3344, SD2 Relating to Wildfires

Aloha Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

The Hawai'i Island Chamber of Commerce (HICC) **supports** SB 3344, SD2 which is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, SB 3344, SD2 is a proactive approach to address any future catastrophic wildfire before it occurs.

Founded in 1898, HICC has been a part of our island's business community for 125 years. Our organization is comprised of over 300 member businesses and professionals from a variety of industries including non-profit organizations from Hawai'i Island.

SB 3344, SD2 is being proposed to ensure resources would be available if disasters like the Maui wildfires ever occur again, especially for our local families. 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Mahalo for this opportunity to express our support for this bill.

Sincerely,

Miles Yoshioka, Executive Officer
Hawai'i Island Chamber of Commerce



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON WATER & LAND and
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 329
Wednesday, March 13, 2024 AT 2:00 P.M.**

To The Honorable Linda Ichiyama, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the Committee on Water & Land
To The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair
Members of the Committee on Consumer Protection & Commerce

SUPPORT SB3344 SD1 RELATING TO WILDFIRES

The Maui Chamber of Commerce **SUPPORTS SB3344 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 due to the risk of future catastrophic wildfires. However, 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 ratepayers of utility companies. We all must come together on solutions when dealing with catastrophic events.

We appreciate the forward thinking of this initiative. We hope the state will continue to explore federal and other funding methods for expediting protective measures 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 SB3344 SD1.**

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.

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



March 12, 2024

Via Electronic Submittal

Committee on Water & Land
Representative Linda Ichiyama, Chair
Representative Mahina Poepoe, Vice Chair

Committee on Consumer Protection & Commerce
Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair

Wednesday, March 13, 2024, 2:00 p.m.
Conference Room 329 & Videoconference

RE: SB 3344 SD2 – Relating to Wildfires – Support the Intent

Aloha Chairs Ichiyama and Nakashima, Vice Chairs Poepoe and Sayama and members of the Committees:

Clearway Energy Group (“Clearway”) supports the intent of SB 3344 SD2, 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 SB 3344 SD2, 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.

With respect to the "plan" described in Section -7(g) of SB 3344 SD2, Clearway supports the proposed clause (6), requiring the utility's plan to be consistent with meeting the utility's and the State's renewable portfolio standards and obligations. Similar language was included in legislation in California¹ and helped ensure that Pacific Gas & Electric Company kept all power purchase agreements intact. However, Clearway has concerns with clause (2), regarding a potential separation of the utility's generation business from its transmission and distribution business, and recommends clarification or removal of this clause. For Clearway and others developing renewable energy projects in Hawai'i, it is very important to have alignment between the side of the utility's business that contracts for our renewable energy projects and the side of the business that builds the facilities required for the grid to connect and receive power from the project. When these two functions are part of the same utility, the utility's incentives are aligned to complete required grid upgrades in a timely manner to keep the project on schedule. The already complex process of project development could become more difficult if these two utility functions were separated from each other.

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.

¹ Assembly Bill 1054, 2020: "The commission has determined that the reorganization plan and other documents resolving the insolvency proceeding are ... consistent with the state's climate goals as required pursuant to the California Renewables Portfolio Standard Program and related procurement requirements of the state."

Thank you for the opportunity to testify on this matter.

Nicola Park
Director, Hawaii
Clearway Energy Group

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Teri Theuriet

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Teri Theuriet and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2. Thank you for the opportunity to share my support.

SB-3344-SD-2

Submitted on: 3/11/2024 9:59:52 PM

Testimony for WAL on 3/13/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dan Giovanni	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Chair and Members.

I urge to to pass the proposed legislation that would provide a degree of financial protection for Hawaiian Electric Company in the event of a future fire disaster. Hawai‘i needs a strong electric utility that has our community interests at heart.

Thank you,

Dan Giovanni

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Lyanne Hiromoto

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Lyanne Hiromoto, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

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

SB 3344

Relating to Wildfires

February 9, 2024 at 9:30 AM
State Capitol, Room 229

Submitted by Darren Yamamoto

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

My name is Darren Yamamoto and I am testifying in support of SB 3344, Relating to Wildfires.

I am a retired employee of Hawaiian Electric and was employed there for over 34 years. Having worked for the company as a lineman and in administration, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

The company has provided career opportunities for our families who grew up here in the islands, and for some, a family legacy of generations. The company continues to provide our younger generation an opportunity to live and work in the islands, rather than having to move to the mainland.

I support SB 3344 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires. For example, a utility's positive credit rating would allow them access to cost-effective financing to improve the safety and reliability of its electrical grid.

Please pass SB 3344 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Alden Ishii

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Alden Ishii, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Jamie Lee

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Jamie Lee, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Sharon Suzuki

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Sharon Suzuki, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

SB-3344-SD-2

Submitted on: 3/12/2024 5:13:27 AM

Testimony for WAL on 3/13/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacklyn Spencer	Individual	Support	Written Testimony Only

Comments:

TESTIMONY BEFORE THE HOUSE COMMITTEES ON

WATER & LAND

AND

CONSUMER PROTECTION & COMMERCE

SB 3344 SD2

Relating to Wildfires

Wednesday, March 13, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Jacklyn Spencer

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Jacklyn Spencer, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Lorie Nagata

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Lorie Nagata, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Kelsey Ito

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Kelsey Ito and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Karen Hirota

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Karen Hirota, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Ken Aramaki

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Ken Aramaki and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Gary Hanaoka

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Gary Hanaoka, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Yvonne Phillipson

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Yvonne Phillipson and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Silas Oliveira de Toledo

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Silas Oliveira de Toledo and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Everett A. Lacro

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Everett Lacro, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Keith Kobuke

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Keith Kobuke, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Kristen Okinaka

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Kristen Okinaka and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

SB-3344-SD-2

Submitted on: 3/12/2024 9:11:51 AM

Testimony for WAL on 3/13/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris Reynolds	Individual	Support	Written Testimony Only

Comments:

I support SB 3344 because it is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires. For example, a utility's positive credit rating would allow them access to cost-effective financing to improve the safety and reliability of its electrical grid.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Enrique Che

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Enrique Che, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Lynne Unemori, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires. SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. This bill would also protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This would help rein in the financial uncertainty created by the risk of future catastrophic wildfires. Reducing this uncertainty can result in lower financing costs that ultimately benefit the public.

Please pass SB 3344 SD2 as a way to provide prompt resources to help our community if a catastrophic wildfire should ever occur again. Thank you for the opportunity to testify.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Lorrie Iwanaga

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Lorrie Iwanaga, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Robert Young

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Robert Young, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a solution in the event of another catastrophic wildfire that could be caused by an unknown factor. We hope nothing like what happened in West Maui ever occurs again, but this proposed bill, would create a wildfire relief fund for victims and provide an efficient process for recovering property damage from future catastrophic wildfires; no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Lyle J. Matsunaga

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Lyle Matsunaga, a retired employee of Maui Electric and Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Christopher Freitas

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Christopher Freitas and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Kerry Kanakaole

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Kerry Kanakaole, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Kevin Kuo

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Kevin Kuo

and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Stacey Ueda

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Stacey Ueda and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024 at 2:00 PM
State Capitol, Conference Room 329

Submitted by Darren Ishimura

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Darren Ishimura and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if it does.

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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund. This bill's purpose, to rein in the financial uncertainty created by the risk of future catastrophic wildfires, is in public's interest.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Iris Eala

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Iris Eala, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Linda Tait

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Linda Tait, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Donna P. Van Osdol

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees:

My name is Donna Van Osdol., a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344, SD2, and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Lori Yafuso

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Lori Yafuso, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
WATER & LAND
AND
CONSUMER PROTECTION & COMMERCE**

**SB 3344 SD2
Relating to Wildfires**

Wednesday, March 13, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Alton Ramos

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Alton Ramos, a retired employee of Hawaiian Electric, and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.

SB-3344-SD-2

Submitted on: 3/12/2024 2:22:33 PM

Testimony for WAL on 3/13/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
scott cramer	Individual	Support	Written Testimony Only

Comments:

**Testimony before the HOUSE COMMITTEES ON
water & land
AND
CONSUMER PROTECTION & COMMERCE**

SB 3344 SD2

Relating to Wildfires

Wednesday, March 13, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Scott Cramer

Dear Chair Ichiyama, Chair Nakashima, Vice Chair Poepoe, Vice Chair Sayama, and Members of the Committees,

My name is Scott Cramer and I am testifying in support of SB 3344 SD2, Relating to Wildfires.

SB 3344 SD2 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if 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. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass SB 3344 SD2 and thank you for the opportunity to share my support.