

Honolulu, Hawaii

MAR 15 , 2024

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

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and Water & Land, to which was referred S.B. No. 3285, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to prohibit the Public Utilities Commission from approving the sale of a public utility, in whole or in part, to a private entity unless the public utility demonstrates that it solicited competitive offers for purchase from entities that operate under a non-investor-owned utilities ownership model, and notes whether or not non-investor-owned entities submitted acceptable bids.

Your Committees received testimony in opposition to this measure from Life of the Land. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric; Ulupono Initiative; and Hawai'i Gas.

Your Committees find that the State should encourage diversity of public utility ownership and ensure that offers from entities operating under non-investor-owned models are considered when a public utility is being sold. This measure would prohibit



the Public Utilities Commission from approving the sale of a public utility to a private entity unless the public utility demonstrates that it solicited competitive offers from non-investor-owned entities.


Your Committees have amended this measure by:

- (1) Clarifying that the application of this measure is notwithstanding certain provisions of existing law relating to certificates of public convenience and necessity;
- (2) Limiting the application of this measure to only a gas utility or electric utility, rather than all public utilities;
- (3) Authorizing the Public Utilities Commission to establish a process for consideration of alternative bids in the event of a sale of a gas utility or electric utility;
- (4) Defining "non-investor-owned-utilities ownership model", rather than "investor-owned utilities ownership model";
- (5) Specifying that the appointment by the Public Utilities Commission of a receiver when there is an imminent threat of the utility failing applies to all public utilities, rather than just regulated water utilities or regulated sewer utilities;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3285, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3285, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



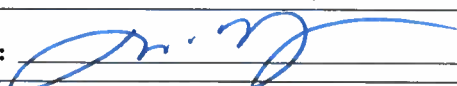
Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Water & Land,


LINDA ICHIYAMA, Chair


NICOLE E. LOWEN, Chair



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB 3285 (RD 1)	Committee Referral: EEP/WAL, CPC, FIN	Date: 3/14/24		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. ICHIYAMA, Linda (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. CHUN, Cory M.	✓			
4. GANADEN, Sonny				✓
5. HASHEM, Mark J.	✓			
6. MIZUNO, May Besario	✓			
7. MORIKAWA, Dee	✓			
8. TAKAYAMA, Gregg	✓			
9. SOUZA, Kanani				✓
TOTAL (9)	7			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				