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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Consumer Protection & Commerce
And
House Committee on Judiciary & Hawaiian Affairs
Monday, March 18, 2024
2:00 p.m.
Conference Room 329

On the following measure:
S.B. 2922, S.D. 2, H.D. 1, RELATING TO PUBLIC UTILITIES

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

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

The purpose of this bill is to create a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission (Commission) for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county.

The tragedy and devastation of the wildfires that arose on Maui during the August 8, 2023 windstorm must be prevented from reoccurring. The State needs viable financing options to mitigate the risk of a future catastrophic wildfire occurring. Securitized bond financing, if bounded by adequate ratepayer protections and used with discipline, could offer a relatively low-interest source of funds. The Department

appreciates that the bill incorporates the content of House Bill No. 2407 which focuses on creating pathways to prevent wildfires and protects at-risk infrastructure while incorporating important protections to help minimize the financial impact on ratepayers.

The Department has remaining concerns with some aspects of the process outlined in § 269-B for reviewing and approving financing orders for wildfire protection costs. The Department's proposed amendments for § 269-B would add important and necessary ratepayer protections. The Department's proposed amendments also make it explicit that decision-making must occur during a standard docketed proceeding.

The Department also includes recommended amendments in the proposed § 269-A and § 269-D to address the recent inclusion of securitization terms and provisions from the Office of the Attorney General in House Bill No. 2407, carried over here in this bill.

Therefore, the Department recommends the following amendments to the proposed statutory addition to Hawaii Revised Statutes Chapter 269, in Section 2 of the bill, to address its concerns for ratepayer protections:

"PART . WILDFIRE PROTECTION AND MITIGATION

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

* * * * *

"Financing entity" means ~~the electric utility; an affiliate of the electric utility;~~ a special purpose vehicle, ~~regardless of whether the special purpose vehicle is~~ not affiliated with an electric utility; or a governmental financing entity that is authorized by the commission to issue bonds or acquire wildfire protection property, or both, pursuant to a financing order.

* * * * *

§269-B Applications to issue bonds and authorize wildfire protection fees. (a) An electric utility may

apply to the commission for one or more financing orders to issue bonds to recover any wildfire protection costs, each of which authorizes the following:

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

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

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

(b) The application shall be reviewed according to the commission's Rules of Practice and Procedure in Hawaii Administrative Rules Chapter 16-601 and shall include all of the following:

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

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

(3) The expected term, which shall include a scheduled final payment date not to exceed thirty years, and a legal final maturity that may be longer, subject to rating agency and market conditions, during which the wildfire protection fee associated with the issuance of each series of bonds is expected to be imposed and collected;

(4) An estimate of the financing costs associated with the issuance of each series of bonds;

(5) An estimate of the amount of the wildfire protection fee revenues necessary to pay principal and interest on the bonds and related financing costs as set forth in the application and the calculation for that estimate (of the related financing costs, in no case should those cost be allowed to be recovered from ratepayers);

(6) A proposed methodology for allocating the wildfire protection fee among customer classes;

(7) A description of the true-up adjustment for the adjustment of the wildfire protection fee to correct for any overcollection or undercollection of the wildfire protection fee, and to otherwise ensure the timely payment of principal and interest on the bonds and related financing costs; and

(8) Any other information required by the commission.

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

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

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

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

(3) Whether the terms and conditions of any bonds to be issued, including without limitation interest rates, rating, amortization redemption, and maturity, and the imposition and collection of fixed recovery charges as set forth in an application, are just and reasonable;

(4) Whether the immediate ratepayer bill impact of any financing order is minimized to the furthest extent practicable; and

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

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

* * * * *

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

* * * * *

(e) If default occurs under the security agreement covering the wildfire protection property, the pledgees of the wildfire protection property, subject to the terms of the security agreement, shall have all rights and remedies of a secured party upon default under chapter 490, article 9, and shall be entitled to foreclose or otherwise enforce their security interest in the wildfire protection property, subject to the rights of any third parties holding prior security interests in the wildfire protection property perfected in the manner provided in this section. In addition, the commission may require in the financing order creating the wildfire protection property that, in the event of default by the electrical corporation in payment of wildfire protection property revenues, the commission and any successor thereto, upon the application by the pledgees or transferees, including

transferees under section 269-H of the wildfire protection property, and without limiting any other remedies available to the pledgees or transferees by reason of the default, shall order the sequestration and payment to the pledgees or transferees of wildfire protection property revenues. Any order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor of the wildfire protection property. Any surplus in excess of:

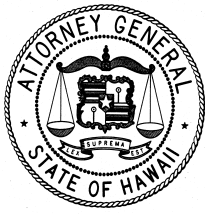
(1) Amounts necessary to pay principal, premiums, if any, interest, costs, and arrearages on the bonds, and associated financing costs arising under the security agreement; or

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

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

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

Thank you for the opportunity to testify on this bill.



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

ON THE FOLLOWING MEASURE:

S.B. NO. 2922, S.D. 2, H.D. 1, RELATING TO PUBLIC UTILITIES.

BEFORE THE:

HOUSE COMMITTEES ON CONSUMER PROTECTION AND COMMERCE AND ON
JUDICIARY AND HAWAIIAN AFFAIRS

DATE: Monday, March 18, 2024

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chairs Nakashima and Tarnas and Members of the Committees:

The Department of the Attorney General provides the following comments.

This bill establishes and implements the Catastrophic Wildfire Securitization Act, to allow public utilities to securitize rates to raise capital that can be used to pay for costs and expenses arising out of catastrophic wildfires.

Due to the specialized nature of securitization financing, we asked Craig Scully, Esq., of Katten Muchin Rosenman LLP, the State's Public Finance General Advice Counsel, to review the bill. We note that the House Committees on Water and Land and Energy and Environmental Protection deleted the contents of S.B. No. 2922, S.D. 2, and inserted certain provisions from H.B. No. 2407, H.D. 2, Relating to Wildfire Risk Mitigation, into this bill. Mr. Scully reviewed H.B. No. 2407, H.D. 2, and he prepared suggested amendments to that bill in bill form. We recommend that the contents of Mr. Scully's proposal (attached to this testimony) be inserted into this bill and be passed as an H.D. 2. The attached proposal shows Mr. Scully's and his staff's redlines as compared to an earlier draft of H.B. No. 2047.

Because of the complexity of the securitization process, additional information is required to safeguard ratepayers and prioritize the public interest. Our comments are still being refined and developed.

We respectfully ask the Committees to consider Mr. Scully's suggested amendments.

Thank you for the opportunity to testify.

A BILL FOR AN ACT

RELATING TO WILDFIRE RISK MITIGATION.

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

1 SECTION 1. The legislature finds that the risk of
2 catastrophic wildfires has increased, making it imperative that
3 electric utilities develop, implement, and administer effective
4 plans for wildfire risk mitigation. Electric utilities should
5 develop, implement, and administer wildfire protection plans,
6 and, through a public process, the public utilities commission
7 should review and approve such plans and the recovery of any
8 related costs to implement the plans.

9 The legislature also finds that a resilience working group,
10 convened throughout 2019 and 2020, sought to: (1) identify and
11 prioritize resilience threat scenarios and potential grid
12 impacts; (2) identify key customer and infrastructure sector
13 capabilities and needs following a severe event and loss of
14 power; (3) identify gaps and priorities in grid and customer
15 capabilities following a severe event and loss of power; (4)
16 provide recommendations and inputs for investor-owned utility
17 grid planning to address resilience needs; and (5) recommend
18 additional grid and customer actions to close gaps and
19 capabilities following severe events. The resilience working

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

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

13 The purpose of this Act is to create a process whereby
14 electric utilities develop and submit effective wildfire risk
15 protection plans to the public utilities commission for
16 approval; the public utilities commission evaluates those plans
17 and either approves them or does so with modifications; the
18 electric utilities are able to timely recover the prudently
19 incurred costs and expenses of developing, implementing, and
20 administrating those plans; and those costs and expenses are not
21 borne disproportionately by any particular ratepayer or county.

22 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
23 amended by adding a new part to be appropriately designated and
24 to read as follows:

25 "PART . WILDFIRE PROTECTION AND MITIGATION

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1 **§269-A Definitions.** As used in this part:

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

9 "Assignee" means a legally recognized entity:

10 (1) To which an electric utility company assigns, sells,
11 or transfers, other than as security, all or a portion
12 of its interest in or right to wildfire protection
13 property; or

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

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

23 "Bond" means any bond, note, certificate of participation
24 or beneficial interest, or other evidence of indebtedness or
25 ownership that is issued by the financing entity under a

1 financing order, the proceeds of which are used to recover,
2 finance, or refinance any wildfire protection costs, and that
3 are secured by or payable from wildfire protection property.

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

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7 "Commission" means the public utilities commission.

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

14 "Electric utility" means a public utility, as defined in
15 section 269-1, that is engaged in the production, transmission,
16 or distribution of electricity.

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

- 22 (1) Principal, interest, and redemption premiums that are
23 payable on bonds;
- 24 (2) A payment required under an ancillary agreement;

1 (3) An amount required to fund or replenish reserve
2 accounts or other accounts established under an
3 indenture, ancillary agreement, or other financing
4 document related to the bonds;

5 (4) Taxes, franchise fees, or license fees imposed on a
6 financing entity as a result of the issuance of the
7 financing order, the assignment, sale or transfer of
8 any wildfire protection property or the sale of the
9 bonds or imposed on the wildfire protection
10 charges, or otherwise resulting from the collection

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11 of the charges, in any such case whether paid,
12 payable, or accrued;

13 (5) Costs related to issuing and servicing bonds or the
14 application for a financing order, including without
15 limitation servicing fees and expenses, trustee fees
16 and expenses, legal fees and expenses, accounting
17 fees, administrative fees, underwriting and placement
18 fees, financial advisory fees, original issue
19 discount, capitalized interest, rating agency fees,
20 and any other related costs that are approved for
21 recovery in the financing order; and

22 (6) Other costs as specifically authorized by a financing
23 order.

24 "Financing entity" means an electric utility, and an entity
25 to which an electric utility or an affiliate of an electric

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1 utility sells, assigns or pledges all or a portion of the
 2 electric utility's or its affiliate's interest in wildfire
 3 protection property, including an affiliate of the electric
 4 utility, or any unaffiliated entity, in each case as approved by
 5 the commission in a financing order.

6 For this purpose, and subject to section 269-D(c), an
 7 entity to which an electric utility or its affiliate sells,
 8 assigns or pledges all or a portion of the electric utility's
 9 interest in wildfire protection property may include any
 10 governmental entity that is able to issue bonds that are exempt
 11 from federal tax pursuant to section 103 of the Internal Revenue
 12 Code of 1986, including the State or a political subdivision
 13 thereof or any department, agency or instrumentality of the
 14 foregoing; provided that the bonds issued thereby shall not
 15 constitute a debt or liability of the State or any political
 16 subdivision thereof or any department, agency or instrumentality
 17 thereof and shall not constitute a pledge of the full faith and
 18 credit of the entity or of the State or any political
 19 subdivision thereof, but shall be payable solely from the funds
 20 provided under this chapter.

21 "Financing order" means an order of the commission under
 22 this part that has become final as provided by law, and that
 23 authorizes the issuance of bonds and the imposition, adjustment
 24 from time to time, and collection of wildfire protection
 25 charges. "Financing order" includes without limitation a

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1 procedure to require the expeditious approval by the commission
 2 of periodic adjustments to wildfire protection charges and any
 3 associated fixed recovery tax amounts included in that financing
 4 order to ensure recovery of all wildfire protection costs and
 5 the costs associated with the proposed recovery, financing, or
 6 refinancing thereof, including the costs of servicing and
 7 retiring the bonds contemplated by the financing order.

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

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

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

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 Deleted: "Governmental financing entity" means the State or a political subdivision thereof or any department, agency, or instrumentality of the State or a political subdivision to which a public utility has assigned or pledged its interest in wildfire protection property as security for the payment of debt service on bonds, and related administrative costs and funding of reserves, issued by the governmental financing entity; provided that the bonds issued by the entity shall not constitute a debt or liability of the entity or of the State or any political subdivision of the State and shall not constitute a pledge of the full faith and credit of the entity or of the State or any political subdivision of the State, but shall be payable solely from the funds provided under this chapter.¶

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1 "Wildfire protection charges" means the nonbypassable
2 charges authorized by section 269-F and in a financing order
3 authorized under this part to be imposed on and collected from
4 all existing and future consumers to recover both of the
5 following:

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

12 "Wildfire protection costs" means any capital costs and
13 operation and maintenance expenses related to the development,
14 implementation, and administration of a wildfire protection plan
15 prepared pursuant to section 269-C(a) but, for the avoidance of
16 doubt, shall not include any amounts, including, without
17 limitation, fees, costs, and awards, payable in connection with
18 any legal claims made in any way related to any
19 wildfire. "Wildfire protection costs" does not include any
20 penalties levied against an electric utility pursuant to section
21 269-D. "Wildfire protection costs" may also include any of the
22 following:

- 23 (1) Catastrophic wildfire costs or expenses, other than
24 amounts, for the avoidance of doubt, payable in
25 connection with any legal claims made in any way

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1 related to any wildfire, that the commission has
2 determined were prudently incurred, including but not
3 limited to costs or expenses that have been paid that
4 the electric utility has a legal obligation to pay or
5 that the electric utility would be otherwise obligated
6 to pay. ;

- 7 (2) Federal and state taxes associated with recovery of
- 8 the amounts pursuant to paragraph (1);
- 9 (3) Financing costs; and
- 10 (4) Professional fees, consultant fees, redemption
- 11 premiums, tender premiums, and other costs incurred by
- 12 the electric utility in using proceeds of bonds to
- 13 acquire outstanding securities of the electric
- 14 utility, as authorized by the commission in a
- 15 financing order.

16
17 "Wildfire protection plan" means the risk-based
18 wildfire protection plan mandated by section 269-C(a) and
19 approved by the commission.

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

- 24 (1) In and to the wildfire protection charge
- 25 established pursuant to a financing order, including

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1 the right to impose, bill, collect, and receive such
2 fixed recovery charges under the financing order and
3 all rights to obtain adjustments to the wildfire
4 protection charge in accordance with section 269-

5 F and the financing order; and

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

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

21 **§269-B Electric utility workshops.** The commission may
22 periodically convene workshops to help electric utilities
23 develop and share information for the identification, adoption,
24 and implementation of best practices regarding wildfires,
25 including but not limited to risk-based wildfire protection and

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1 risk-based wildfire mitigation procedures and standards. The
 2 best practices discussed in these workshops may be incorporated
 3 into the proposed wildfire protection plans and updates
 4 submitted for the approval of the public utilities commission
 5 pursuant to section 269-C.

6 **§269-C Wildfire protection plans.** (a) Each electric
 7 utility shall have and operate in compliance with a risk-based
 8 wildfire protection plan, which shall be submitted to the
 9 commission for approval. The risk-based wildfire protection
 10 plan shall be based on reasonable and prudent practices, that may
 11 be determined by commission standards adopted by decision or
 12 rule. The electric utility shall design the risk-based
 13 wildfire protection plan to protect public safety, reduce risk
 14 to electric utility customers, and promote resilience of the
 15 Hawaii electric system to wildfire damage. Each electric
 16 utility's wildfire protection plan shall, at a minimum:

- 17 (1) Account for the responsibilities of persons
- 18 responsible for executing the plan;
- 19 (2) Describe the objectives of the plan;
- 20 (3) Identify areas that are subject to a heightened risk
- 21 of wildfire and are:
 - 22 (A) Within the right of way or legal control or
 - 23 ownership of the electric utility; and
 - 24 (B) Outside the right of way or legal control or
 - 25 ownership of the electric utility but within a

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1 reasonable distance, as determined by the
2 commission, of the electric utility's generation
3 or transmission assets;

- 4 (4) Identify a means for mitigating wildfire risk that
5 reflects a reasonable balancing of mitigation costs
6 with the resulting reduction of wildfire

7 risk;

- 8 (5) Identify preventive actions and programs that the
9 electric utility shall carry out to minimize the risk
10 of electric utility facilities causing wildfire;

- 11 (6) Identify the metrics the electric utility plans to use
12 to evaluate the plan's performance and the assumptions
13 that underlie the use of those metrics;

- 14 (7) Describe how the application of previously identified
15 metrics to previous plan performances has informed the
16 plan;

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

- 23 (9) Describe appropriate and feasible procedures for
24 notifying a customer who may be impacted by the
25 deenergizing of electrical lines. The procedures

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1 shall consider the need to notify, as a priority,
2 critical first responders, health care facilities,
3 operators of wastewater and water delivery
4 infrastructure, and operators of telecommunications
5 infrastructure;

6 (10) Describe the procedures, standards, and timeframes
7 that the electric utility shall use to inspect
8 electric utility infrastructure in areas that the
9 electric utility identifies under paragraph (3),
10 including whether those procedures, standards, and
11 timeframes are already set forth in the electric
12 utility's existing plans or protocols and in
13 coordination with any relevant entities;

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

22 (12) Include a list that identifies, describes, and
23 prioritizes all wildfire risks, and drivers for those
24 risks, throughout the electric utility's service

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1 territory. The list shall include but not be limited
2 to the following:

- 3 (A) Risks and risk drivers associated with design,
4 construction, operation, and maintenance of the
5 electric utility's equipment and facilities; and
6 (B) Particular risks and risk drivers associated with
7 topographic and climatological risk factors
8 throughout the different parts of the electric
9 utility's service territory;

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

12 (14) Describe the actions the electric utility will take to
13 ensure its system achieves the highest level of
14 safety, reliability, and resiliency, and to ensure
15 that its system is prepared for a wildfire, including
16 hardening and modernizing its infrastructure with
17 improved engineering, system design, standards,
18 equipment, and facilities, including but not limited
19 to undergrounding lines, insulation of distribution
20 wires, and pole replacement;

21 (15) Demonstrate that the electric utility has an
22 adequately sized and trained workforce to promptly
23 restore service after a wildfire, taking into account
24 employees of other utilities pursuant to mutual aid

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- 1 agreements and employees of entities that have entered
2 into contracts with the electric utility;
- 3 (16) Identify the estimated development, implementation,
4 and administration costs for the risk-based wildfire
5 protection plan;
- 6 (17) Identify the timelines, as applicable, for
7 development, implementation, and administration of any
8 aspects of the risk-based wildfire protection plan;
- 9 (18) Describe how the plan is consistent with the electric
10 utility's other hazard mitigation and grid hardening
11 plans, including plans to prepare for, and to restore
12 service after, a wildfire, including workforce
13 mobilization and repositioning equipment and
14 employees;
- 15 (19) Identify community outreach and public awareness
16 efforts that the electric utility will use before,
17 during, and after a wildfire;
- 18 (20) Describe the processes and procedures the electric
19 utility will use to do all of the following:
- 20 (A) Monitor and audit the implementation of the plan;
21 (B) Identify any deficiencies in the plan or the
22 plan's implementation and correct those
23 deficiencies; and
24 (C) Monitor and audit the effectiveness of electrical
25 line and equipment inspections, including

1 inspections performed by contractors, carried out
2 under the plan and other applicable statutes and
3 rules of the commission;

4 (21) Demonstrate elements of data governance, including
5 enterprise systems; and

6 (22) Any modifications to paragraphs (1) to (21), or other
7 information as required by the commission.

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

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

14 (d) The commission shall evaluate each electric utility's
15 risk-based wildfire protection plan and plan updates according
16 to the public utilities commission's rules of practice and
17 procedure in chapter 16-601, Hawaii Administrative Rules. The
18 public utilities commission shall authorize the department of
19 land and natural resources and local emergency services agencies
20 to participate in proceedings evaluating risk-based wildfire
21 protection plans.

22 (e) Not more than ninety days after the last party filing,
23 and not more than a total of one hundred twenty days after the
24 initial application for approval of the submitted wildfire
25 protection plan or update in the docketed proceeding, the

Deleted: , in consultation with the department of land and natural resources, Hawaii emergency management agency, and local emergency services agencies,

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Deleted: filing in the docket or non-docketed case related to the commission's evaluation of a risk-based

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1 commission shall approve, ~~approve with conditions, or reject~~ the
 2 plan or update ~~based on whether~~, the commission finds that the
 3 plan or update is based on reasonable and prudent practices and
 4 designed to meet all applicable rules and standards adopted by
 5 the commission. The commission may, in approving the plan or
 6 update with conditions, direct the electric utility to make
 7 modifications to the plan or updates that the commission
 8 believes represent a reasonable balancing of mitigation costs
 9 with the resulting reduction of wildfire risk based on the
 10 ~~evidentiary record in the proceeding~~. The commission shall
 11 issue a decision explaining ~~its determination, including~~
 12 ~~findings of fact and conclusions of law, in accordance with~~
 13 ~~chapter 91~~.

14 (f) The electric utility shall track the costs that it
 15 actually incurs to develop, implement, and administer the risk-
 16 based wildfire protection plan. In the electric utility's risk-
 17 based wildfire protection plan update, the electric utility
 18 shall report on the costs as actually incurred for the most
 19 recent past period for which the information is available.

20 If the actual costs are less than the amounts that the
 21 commission determined were reasonable in its decision under
 22 subsection (e), the commission shall direct the electric utility
 23 to refund or credit the costs to ~~consumers, provided, however,~~
 24 ~~that any such refund or credit to consumers shall not affect,~~
 25 ~~alter or impair the value of the wildfire protection property,~~

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Deleted: any such directed modifications at the time it approves the plan

1 wildfire protection charges, or any bonds secured by wildfire
2 protection property.

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3 If the actual costs are equal to or greater than the
4 amounts that the commission determined were reasonable in its
5 decision under subsection (e), the commission shall not direct
6 the electric utility to refund to ratepayers the amount the
7 commission previously determined was reasonable and shall limit
8 its review to any additional costs, which it shall allow the
9 electric utility to recover from ratepayers if the commission
10 finds such costs reasonable.

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Deleted: For purposes of evaluating additional costs, the following shall apply:¶

Deleted: (1) Actual costs that are no more than fifteen per cent

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Deleted: determined were reasonable shall be presumed prudent

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Deleted: proof by clear and convincing evidence that the costs

Deleted: were unreasonable; and¶

Deleted: (2) The electric utility shall have the burden of proving

Deleted: the reasonableness of actual costs that are more than

Deleted: fifteen per cent greater than the costs the commission

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Deleted: or order, or relieve an electric utility from proactively managing wildfire risk, including by monitoring emerging practices and technologies. Electric utilities are expected to continuously improve and take reasonable actions outside of approved plans to mitigate wildfire risk

11
12
13 (g) The commission's approval of a risk-based wildfire
14 protection plan does not by itself establish a defense to any
15 enforcement action for violation of a commission decision,
16 order, or rule.

17 (h) The commission shall, as appropriate, adopt rules or
18 issue orders for the implementation of this section. The rules
19 or orders may include but need not be limited to procedures and
20 standards regarding data governance, risk-based decision-making,
21 vegetation management, public power safety shutoffs and
22 restorations, pole materials, circuitry, and monitoring systems.

23 (i) In its decision pursuant to section 269-C(e), the
24 public utilities commission shall determine the reasonable costs
25 to develop, implement, and administer the plan and shall

1 authorize the electric utility to recover the costs in rates.
2 The commission shall establish a method to authorize timely and
3 prompt recovery of the wildfire protection costs. The commission
4 shall establish rules for the electric utility to track actual
5 wildfire protection costs and for the commission to authorize,
6 as applicable, refunds or credits to ratepayers where actual
7 wildfire protection costs are ultimately less than those the
8 commission determined reasonable and authorized for rate
9 recovery, provided, however, that any such refund or credit to
10 consumers shall not affect, alter or impair the value of the
11 wildfire protection property, wildfire protection charges, or
12 any bonds secured by wildfire protection property. To the degree
13 actual wildfire protection costs exceed those the commission
14 determined were reasonable and authorized for rate recovery, the
15 commission shall authorize cost recovery in the event that it
16 determines those additional wildfire protection costs are just
17 and reasonable. The method established hereunder may include the
18 issuance of bonds under section 269-D.

19 (j) So long as such electric utility has not acted in a
20 manner that constitutes willful misconduct, bad faith, or
21 reckless disregard of its obligations, in each case, in
22 compliance with its obligations under a financing order and any
23 applicable wildfire protection plan, no electric utility shall
24 be civilly liable for the death of or injury to persons, or
25 property damage, as a result of:

1 (1) Any act taken in accordance with a plan or updated
2 plan approved by the public utilities commission under
3 this chapter; or

4 (2) Any failure to take an action proposed by an electric
5 utility in a plan or updated plan and thereafter
6 removed from the plan by modification of the public
7 utilities commission.

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

15 (l) Any determination by the public utilities commission
16 that the electric utility materially failed to comply with an
17 approved plan or part of an approved plan, and any imposition of
18 a civil penalty, shall be inadmissible in any lawsuit or other
19 action against the electric utility seeking compensation for the
20 alleged death of or injury to persons, or property damage. In
21 any action seeking to hold an electric utility civilly liable
22 for the death of or injury to persons, or property damage, no
23 inference of liability may be drawn solely based on a failure by
24 the electric utility to adhere to the requirements of an
25 approved plan.

1 ~~§269-D~~ Applications to issue bonds and authorize wildfire

2 protection charges. (a) An electric utility may apply to the
3 commission for one or more financing orders to issue bonds to
4 recover any wildfire protection costs, each of which authorizes
5 the following:

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

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

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

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

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

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

Deleted: §269-D Penalties. In addition to any other penalties provided by law, a failure by an electric utility to comply with an approved plan or part of an approved plan shall be subject to a civil penalty, as determined by the commission. Imposition of penalties pursuant to this section shall otherwise be in accordance with section 269-28 and all applicable administrative rules. All moneys collected under this section shall be deposited into the public utilities commission special fund.¶

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1 (3) An estimate of the date each series of bonds is
2 expected to be issued;
3 (4) The scheduled final payment date, which may
4 not exceed thirty years, and a legal final maturity
5 date, which may be longer, subject to rating
6 agency and market considerations, during which
7 term the wildfire protection charge associated
8 with the issuance of each series of bonds is expected
9 to be imposed and collected;

10 (5) An estimate of the financing costs associated with
11 the issuance of each series of bonds;
12 (6) An estimate of the amount of the wildfire protection
13 charge revenues necessary to pay principal and
14 interest on the bonds and all other associated
15 financing costs as set forth in the application and
16 the calculation for that estimate;

17 (7) A proposed design of the wildfire protection charge
18 and the methodology for allocating the wildfire
19 protection charge among consumer classes
20 within the electric utility's service territory;

21 (8) A description of the financing entity selected by the
22 electric utility;

23 (9) A description of a proposed true-up
24 mechanism for the adjustment of the wildfire
25 protection charge to correct for any

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1 overcollection or undercollection of the wildfire
 2 protection charge, and to otherwise ensure the
 3 timely payment of principal and interest on the bonds
 4 and all associated financing costs; and

5 (10) Any other information required by the commission.

6 (c) At the option of the electric utility, the electric
 7 utility may include in its application for a financing order a
 8 request for authorization to sell, transfer, assign or pledge
 9 wildfire protection property to a governmental financing entity
 10 if it expects bonds issued by a governmental financing entity
 11 would result in a more cost efficient means, taking into account
 12 all financing costs of related to such bonds, than using another
 13 financing entity to issue bonds to finance the same wildfire
 14 protection costs, taking into account the costs of issuing such
 15 other financing entity's bonds. If a public utility exercises
 16 such option, the commission may hire a financial advisor in
 17 connection with its review, upon which it may rely.

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

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

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

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

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

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

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

16 (f) Wildfire protection charges shall be imposed only
 17 on existing and future consumers within the utility service
 18 territory who shall continue to pay wildfire protection charges
 19 until the bonds and associated financing costs are paid in full
 20 by the financing entity or, in the event the wildfire protection
 21 property has been assigned to an assignee in connection with the
 22 exercise of remedies upon a default under the terms of the
 23 bonds, until the receipt of proceeds by such assignee in an
 24 amount sufficient to repay the principal amount of, and interest

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Deleted: imposition and collection of fixed recovery charges as

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Deleted: bill impact of any financing order is minimized to the

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Deleted: (5) Any other factors that the commission deems reasonable and in the public interest.¶
 The public utility may request the determination specified in this section by the commission in a separate proceeding, in an existing proceeding, or both. If the commission makes the determination specified in this section, the commission shall establish, as part of the financing order, a procedure for the public utility to submit applications from time to time to request the issuance of additional financing orders designating wildfire protection fees and any associated fixed recovery tax amounts as recoverable. The public utility may submit an application with respect to wildfire protection costs that a public utility has paid, has an existing legal obligation to pay, or would be obligated to pay pursuant to an agreement. The commission shall, within ninety days of the filing of that application, issue a financing order, if the commission determines that the amounts identified in the application are wildfire protection costs.¶

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1 including the commission, pledge and agree with bondholders, the
 2 owners and assignees of the wildfire protection property, and
 3 other financing parties that the State and its agencies will not
 4 take any action listed in this subdivision. This subdivision
 5 does not preclude limitation or alteration if full compensation
 6 is made by law for the full protection of the wildfire
 7 protection property collected pursuant to a financing order and
 8 of the bondholders and any assignee or financing party entering
 9 into a contract with the electric utility. The prohibited
 10 actions are as follows:

11 (1) Alter the provisions of this chapter, which authorize
 12 the commission to create an irrevocable contract right
 13 or chose in action by the issuance of a financing
 14 order, to create wildfire protection property, and
 15 make the wildfire protection charges imposed by a
 16 financing order irrevocable, binding, nonbypassable
 17 charges for all existing and future consumers,

18 ;
 19 (2) Take or permit any action that impairs or would impair
 20 the value of wildfire protection property or the
 21 security for the bonds or revises the wildfire
 22 protection costs for which recovery is authorized,

23 ;
 24 (3) In any way impair the rights and remedies of the
 25 bondholders, assignees, and other financing parties;

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Deleted: financing entities, and holders of bonds that the State shall neither limit nor alter, except as otherwise provided with respect to the true-up adjustment

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Deleted: associated financing costs, are fully paid and

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1
2
3 (4) Except for changes made pursuant to the formula-based
4 true-up mechanism authorized under § 269-E(a) (1),
5 reduce, alter, or impair wildfire protection charges
6 that are to be imposed, billed, charged, collected,
7 and remitted for the benefit of the bondholders, any
8 assignee, and any other financing parties until any
9 and all principal, interest, premium, financing costs
10 and other fees, expenses, or charges incurred, and any
11 contracts to be performed, in connection with the
12 related bonds have been paid and performed in full or,
13 in the event the wildfire protection property has been
14 assigned to an assignee in connection with the
15 exercise of remedies upon a default under the terms of
16 the bonds, until the receipt of proceeds by such
17 assignee in an amount sufficient to repay principal
18 and interest on the bonds that would have accrued had
19 they remained outstanding.

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

22 (c) Under a final financing order, the electric utility
23 shall retain sole discretion to select the financing entity and
24 to cause bonds to be issued, including the right to defer or
25 postpone the issuance, assignment, sale, or transfer of wildfire

Deleted: the event the wildfire protection property has been

Deleted: assigned to an assignee in connection with the

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Deleted: of proceeds by such assignee in an amount sufficient

Deleted: to repay the principal amount of, and interest that

Deleted: would have accrued on, the bonds had they remained

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Deleted: provided that nothing contained in this section shall preclude the limitation or alteration if and when adequate provision shall be made by law for the full protection of the public utility and of owners and holders of the bonds and the wildfire protection property. Any financing entity may include this pledge and undertaking for the State in these bonds. When setting other rates for the public utility, nothing in this subsection shall prevent the commission from taking into account any collection of wildfire protection fees in excess of amounts actually required, or would have been required had the bonds remained outstanding following a default, to pay wildfire protection costs financed or refinanced by bonds; provided that this shall not result in a recharacterization of the tax, accounting, and other intended characteristics of the financing, including but not limited to either treating the bonds as debt of the applicable financing entity for federal income tax purposes or treating the transfer of the wildfire protection property by the public utility as a true sale for bankruptcy purposes.¶

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1 protection property. The commission shall not impose any
2 penalty, disallowance, or other negative consequence on the
3 electric utility in respect of its exercise of such discretion.

4 (d) The public utilities commission may create, pursuant
5 to an application from an electric utility, a nonbypassable
6 surcharge referred to as a wildfire protection charge, which
7 shall be applied to recover financing costs and wildfire
8 protection costs. The wildfire protection charge shall be a
9 dedicated, discrete tariff rider. The commission shall, in any
10 financing order, establish a procedure for periodic true-up
11 adjustments to wildfire protection charges, which shall be made
12 at least annually and may be made more frequently. Within
13 thirty days after receiving an electric utility's filing of a
14 true-up adjustment, the public utilities commission's review of
15 the filing shall be limited to mathematical or clerical errors
16 as determined in accordance with any true-up adjustment formulas
17 set forth in the applicable financing order. The public
18 utilities commission shall either approve the filing or inform
19 the electric utility of any mathematical or clerical errors in
20 its calculation. If the commission informs the electric utility
21 of mathematical or clerical errors in its calculation, the
22 electric utility shall correct its error and refile its true-up
23 adjustment. The timeframes previously described in this
24 subsection shall apply to a refiled true-up adjustment.

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

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

1 (e) ~~v. v.~~ Wildfire protection ~~charges~~ are wildfire
2 protection property when, and to the extent that, a financing
3 order authorizing the wildfire protection ~~charges~~ has become
4 effective in accordance with this chapter, and the wildfire
5 protection property shall thereafter continuously exist as
6 property for all purposes, and all of the rights and privileges
7 relating to that property shall continuously exist for the
8 period and to the extent provided in the financing order, but in
9 any event until the bonds are paid in full, including all
10 principal, premiums, if any, ~~v. interest with respect to the~~
11 bonds, and all ~~v. other~~ financing costs are paid in full or, in
12 the event the wildfire protection property has been assigned to
13 an assignee in connection with the exercise of remedies upon a
14 default ~~under the terms of the bonds~~, until the receipt by such
15 assignee of proceeds in an amount sufficient to repay the
16 principal amount of, and interest that would have accrued on,
17 the bonds had they remained outstanding. A financing order may
18 provide that the creation of wildfire protection property shall
19 be simultaneous with the sale of the wildfire protection
20 property to an assignee as provided in the application of the
21 pledge of the wildfire protection property to secure the bonds.

22 (f) Any successor to a financing entity shall be bound by
23 the requirements of this chapter and shall perform and satisfy
24 all obligations of, and have the same rights under a financing
25 order as, and to the same extent as, the financing entity.

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Deleted: The commission shall establish procedures for the expeditious processing of an application for a financing order, which shall provide for the approval or disapproval of the application within ninety days of the application. Any wildfire protection fees authorized by a financing order shall appear on ratepayer bills. The commission shall, in any financing order, provide for a procedure for periodic true-up adjustments to wildfire protection fees, which shall be made at least annually and may be made more frequently; provided that no true-up adjustment may be made if such adjustment could reasonably be expected to negatively impact the rights, including the economic rights, of the owners and holders of the bonds or the wildfire protection property. The public utility shall file an application with the commission to implement any true-up adjustment.¶

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

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

15
 16 (i) To the extent that any interest in
 17 wildfire protection property is sold, assigned, or is pledged as
 18 collateral pursuant to subsection (b), the commission shall
 19 require the public utility to contract with the financing entity
 20 and its assignees that it will continue to operate its system to
 21 provide service to consumers within its service territory, will
 22 collect amounts in respect of the wildfire protection charges
 23 for the benefit and account of the financing entity and its
 24 assignees, and will account for and remit these amounts to or
 25 for the account of the financing entity or its

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

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- Deleted:** The financing entity or a trustee for the holders of ...
- Deleted:** bonds or the holders of an ancillary agreement in ...
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- Deleted:** default; or¶
- Deleted:** (2)
- Deleted:** Any person acquiring the wildfire protection property ...
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1 assignees. Contracting with the financing entity and its
2 assignees in accordance with that authorization shall not impair
3 or negate the characterization of the sale, assignment, or
4 pledge as an absolute transfer, a true sale, or a security
5 interest, as applicable. To the extent that billing,
6 collection, and other related services with respect to the
7 provision of the public utility's services are provided to a
8 consumer by any person or entity other than the public utility
9 in whose service territory the consumer is located, that person
10 or entity shall collect the wildfire protection ~~charges~~ and any
11 associated fixed recovery tax amounts from the consumer for the
12 benefit and account of the public utility, financing entity, or
13 assignees with the associated revenues remitted solely for such
14 person's benefit as a condition to the provision of electric
15 service to that consumer. Each financing order shall impose
16 terms and conditions, consistent with the purposes and
17 objectives of this chapter, on any person or entity responsible
18 for billing, collection, and other related services, including
19 without limitation collection of the wildfire protection ~~charges~~
20 and any associated fixed recovery tax amounts, that are the
21 subject of the financing order.

22 (j) The financing entity may issue bonds upon approval by
23 the commission in a financing order. Bonds shall be nonrecourse
24 to the credit or any assets of the public utility, other than

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1 the wildfire protection property as specified in that financing
2 order.

3 (k) Wildfire protection property that is specified in a
4 financing order shall constitute an existing, present property
5 right, notwithstanding the fact that the imposition and
6 collection of wildfire protection charges depend on the electric
7 utility continuing to provide services or continuing to perform
8 its servicing functions relating to the collection of wildfire
9 protection charges or on the level of future service

10 consumption, e.g., electricity consumption. Wildfire protection
11 property shall exist whether or not the wildfire protection
12 charges have been billed, have accrued, or have been collected

13 and notwithstanding the fact that the value for a security
14 interest in the wildfire protection property, or amount of the
15 wildfire protection property, is dependent on the future
16 provision of service to consumers. All wildfire protection
17 property specified in a financing order shall continue to exist
18 until the bonds issued pursuant to a financing order and all
19 associated financing costs are paid in full or, in the event the
20 wildfire protection property has been assigned to an assignee in
21 connection with the exercise of remedies upon a default under
22 the terms of the bonds, until the receipt by such assignee of
23 proceeds in an amount sufficient to repay the principal amount
24 of, and interest that would have accrued on, the bonds had they
25 remained outstanding.

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

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10 (m) Notwithstanding any other law to the contrary, any
 11 requirement under this chapter or a financing order that the
 12 public utilities commission takes action with respect to the
 13 subject matter of a financing order shall be binding upon the
 14 commission, as it may be constituted from time to time, and any
 15 successor agency exercising functions similar to the commission,
 16 and the commission shall have no authority to rescind, alter, or
 17 amend that requirement in a financing order.

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18 (n) The electric utility may sell and assign all or
 19 portions of its interest in wildfire protection property to one
 20 or more financing entities that make that wildfire protection
 21 property the basis for issuance of bonds, to the extent approved
 22 in a financing order. The electric utility or financing entity
 23 may pledge wildfire protection property as collateral, directly
 24 or indirectly, for bonds to the extent approved in the pertinent
 25 financing orders providing for a security interest in the

1 wildfire protection property, in the manner set forth in section
2 269-G. In addition, wildfire protection property may be sold or
3 assigned by either of the following:

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

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

10 **§269-F Wildfire protection charge.** (a) The public utilities
11 commission may create, pursuant to a financing order approved
12 pursuant to section 269-E, a nonbypassable charge for a
13 financing entity, referred to as a wildfire protection charge
14 that shall be applied to the repayment of bonds and related
15 financing costs as described in this part. The wildfire
16 protection charge and any associated fixed recovery tax amounts
17 may be a usage-based charge, a flat user charge, or a charge
18 based upon customer revenues as determined by the public
19 utilities commission for each consumer class in any financing
20 order.

21 (b) As long as any bonds are outstanding and any financing
22 costs have not been paid in full or, in the event the wildfire
23 protection property has been assigned to an assignee in
24 connection with the exercise of remedies upon a default under
25 the terms of the bonds, proceeds in an amount sufficient to

1 repay principal and interest on the bonds that would have
2 accrued had they remained outstanding have not been received,
3 any wildfire protection charge and any associated fixed recovery
4 tax amounts authorized under a financing order shall be
5 nonbypassable. Subject to any exceptions provided in a financing
6 order, a wildfire protection charge and any associated fixed
7 recovery tax amounts shall be paid by all existing and future
8 consumers within the utility service territory.

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

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

18 **§269-G Security interests in wildfire protection property;**
19 **financing statements.** (a) A security interest in wildfire
20 protection property is valid and enforceable against the pledgor
21 and third parties, subject to the rights of any third parties
22 holding security interests in the wildfire protection property
23 perfected in the manner described in this section, and attaches
24 when all of the following have taken place:

1 (1) The commission has issued a financing order
2 authorizing the wildfire protection charge
3 included in the wildfire protection property;

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4 (2) Value has been given by the pledgees of the wildfire
5 protection property; and

6 (3) The pledgor has signed a security agreement covering
7 the wildfire protection property.

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

14 Any description of the wildfire protection property shall
15 be sufficient if it refers to the financing order creating the
16 wildfire protection property. A copy of the financing statement
17 shall be filed with the commission by the public utility that is
18 the pledgor or transferor of the wildfire protection property,
19 and the commission may require the public utility to make other
20 filings with respect to the security interest in accordance with
21 procedures that the commission may establish; provided that the
22 filings shall not affect the perfection of the security
23 interest.

24 (c) A perfected security interest in wildfire protection
25 property shall be a continuously perfected security interest in

1 all wildfire protection property revenues and proceeds arising
2 with respect thereto, whether or not the revenues or proceeds
3 have accrued. Conflicting security interests shall rank
4 according to priority in time of perfection. Wildfire
5 protection property shall constitute property for all purposes,
6 including for contracts securing bonds, whether or not the
7 wildfire protection property revenues and proceeds have accrued.

8 (d) Subject to the terms of the security agreement
9 covering the wildfire protection property and the rights of any
10 third parties holding security interests in the wildfire
11 protection property perfected in the manner described in this
12 section, the validity and relative priority of a security
13 interest created under this section shall not be defeated or
14 adversely affected by the commingling of revenues arising with
15 respect to the wildfire protection property with other funds of
16 the public utility that is the pledgor or transferor of the
17 wildfire protection property, or by any security interest in a
18 deposit account of that public utility perfected under chapter
19 490, article 9, into which the revenues are deposited.

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

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1
2 (e) If default occurs under the security agreement
3 covering the wildfire protection property, the pledgees of the
4 wildfire protection property, subject to the terms of the
5 security agreement, shall have all rights and remedies of a
6 secured party upon default under chapter 490, article 9, and
7 shall be entitled to foreclose or otherwise enforce their
8 security interest in the wildfire protection property, subject
9 to the rights of any third parties holding prior security
10 interests in the wildfire protection property perfected in the
11 manner provided in this section. In addition, the commission
12 may require in the financing order creating the wildfire
13 protection property that, in the event of default by the
14 electric utility in payment of wildfire protection property
15 revenues, the commission and any successor thereto, upon the
16 application by the pledgees or transferees, including assignees
17 of the wildfire protection property, under section 269-H, and
18 without limiting any other remedies available to the pledgees or
19 assignees by reason of the default, shall order the
20 sequestration and payment to the pledgees or assignees of
21 wildfire protection property revenues. Any order shall remain
22 in full force and effect notwithstanding any bankruptcy,
23 reorganization, or other insolvency proceedings with respect to
24 the debtor, pledgor, or transferor of the wildfire protection
25 property. Any surplus in excess of:

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- Deleted: Any default under the security agreement; or
- Deleted: (2)
- Deleted: The institution of insolvency proceedings by or ...
- Deleted: against the public utility, less payments from the ...
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1 (1) Amounts necessary to pay principal, premiums, if any,
2 interest, costs, and arrearages on the bonds, and
3 associated financing costs arising under the security
4 agreement; or
5 (2) In the event the wildfire protection property has been
6 assigned to an assignee in connection with the
7 exercise of remedies upon a default under the terms of
8 the bonds, an amount sufficient to repay the principal
9 amount of, and interest that would have accrued on,
10 the bonds had they remained outstanding,
11 shall be remitted to the debtor or to the pledgor or
12 transferor.
13 (f) Sections 490:9-204 and 490:9-205 shall apply to a
14 pledge of wildfire protection property by the public utility, an
15 affiliate of the public utility, or a financing entity.
16 **§269-H Transfers of wildfire protection property.** (a) A
17 transfer or assignment of wildfire protection property by the
18 public utility to an assignee or to a financing entity, or by an
19 assignee of the public utility or a financing entity to another
20 financing entity, which the parties in the governing
21 documentation have expressly stated to be a sale or other
22 absolute transfer, in a transaction approved in a financing
23 order, shall be treated as an absolute transfer of all of the
24 transferor's right, title, and interest, as in a true sale, and
25 not as a pledge or other financing, of the wildfire protection

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1 property, other than for federal and state income and franchise
2 tax purposes.

3 (b) The characterization of the sale, assignment, or
4 transfer as an absolute transfer and true sale and the
5 corresponding characterization of the property interest of the
6 assignee shall not be affected or impaired by, among other
7 things, the occurrence of any of the following:

8 (1) Commingling of wildfire protection charge revenues
9 with other amounts;

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10 (2) The retention by the seller of either of the
11 following:

12 (A) A partial or residual interest, including an
13 equity interest, in the financing entity or the
14 wildfire protection property, whether direct or
15 indirect, subordinate or otherwise; or

16 (B) The right to recover costs associated with taxes,
17 franchise fees, or license fees imposed on the
18 collection of wildfire protection charge;

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19 (3) Any recourse that an assignee may have against the
20 seller;

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21 (4) Any indemnification rights, obligations, or repurchase
22 rights made or provided by the seller;

23 (5) The obligation of the seller to collect wildfire
24 protection charges on behalf of an assignee;

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1 (6) The treatment of the sale, assignment, or transfer for
2 tax, financial reporting, or other purpose; or

3 (7) Any true-up adjustment of the wildfire protection
4 charge as provided in the financing order.

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5 (c) A transfer of wildfire protection property shall be
6 deemed perfected against third persons when both of the
7 following occur:

8 (1) The commission issues the financing order authorizing
9 the wildfire protection charge included in the
10 wildfire protection property; and

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

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14 (d) As between bona fide assignees of the same right for
15 value without notice, the assignee first filing a financing
16 statement in accordance with chapter 490, article 9, part 5,
17 naming the assignor of the wildfire protection property as
18 debtor and identifying the wildfire protection property shall
19 have priority. Any description of the wildfire protection
20 property shall be sufficient if it refers to the financing order
21 creating the wildfire protection property. A copy of the
22 financing statement shall be filed by the assignee with the
23 commission, and the commission may require the assignor or the
24 assignee to make other filings with respect to the transfer in

1 accordance with procedures the commission may establish, but
2 these filings shall not affect the perfection of the transfer.

3 ~~§269-I Financing entity successor requirements; default of~~
4 ~~financing entity.~~ (a) Any successor to an electric utility

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5 ~~subject to~~ a financing order, whether pursuant to any
6 bankruptcy, reorganization, or other insolvency proceeding, or
7 pursuant to any merger, sale, or transfer, by operation of law,
8 or otherwise, shall be bound by the requirements of this
9 part. The successor of the electric utility shall perform and

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10 satisfy all obligations of the electric utility under the
11 financing order, in the same manner and to the same extent as
12 the electric utility, including the obligation to collect and
13 pay the wildfire protection ~~charge~~ to any financing party as
14 required by a financing order or any assignee. Any successor to
15 the electric utility shall be entitled to receive any fixed
16 recovery tax amounts otherwise payable to the electric utility.

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17 (b) The commission may require in a financing order that
18 if a default by the electric utility in remittance of the
19 wildfire protection ~~charge~~ collected arising with respect to
20 wildfire protection property occurs, the commission, without
21 limiting any other remedies available to any financing party by
22 reason of the default, shall order the sequestration and payment
23 to the beneficiaries of the wildfire protection ~~charge~~ collected
24 arising with respect to the wildfire protection property. Any
25 order shall remain in full force and effect notwithstanding any

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1 bankruptcy, reorganization, or other insolvency proceedings with
2 respect to the electric utility.

3 **§269-J Severability.** If any provision of this part is
4 held to be invalid or is superseded, replaced, repealed, or
5 expires for any reason:

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

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

13 SECTION 3. Chapter 269-17, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§269-17 Issuance of securities.** A public utility
16 corporation may, on securing the prior approval of the public
17 utilities commission, and not otherwise, except as provided in
18 section 269-D, issue stocks and stock certificates, bonds,
19 notes, and other evidences of indebtedness, payable at periods
20 of more than twelve months after the date thereof, for the
21 following purposes and no other, namely: for the acquisition of
22 property or for the construction, completion, extension, or
23 improvement of or addition to its facilities or service, or for
24 the discharge or lawful refunding of its obligations or for the
25 reimbursement of moneys actually expended from income or from

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1 any other moneys in its treasury not secured by or obtained from
2 the issue of its stocks or stock certificates, ~~[or]~~ bonds,
3 notes, or other evidences of indebtedness, for any of the
4 aforesaid purposes except maintenance of service, replacements,
5 and substitutions not constituting capital expenditure in cases
6 where the corporation has kept its accounts for ~~[such]~~
7 expenditures in ~~[such]~~ a manner as to enable the commission to
8 ascertain the amount of moneys so expended and the purposes for
9 which the expenditures were made, and the sources of the funds
10 in its treasury applied to the expenditures. As used
11 ~~[herein]~~ in this section, "property" and "facilities"~~[r]~~ mean
12 property and facilities used in all operations of a public
13 utility corporation whether or not included in its public
14 utility operations or rate base. A public utility corporation
15 may not issue securities to acquire property or to construct,
16 complete, extend, ~~[or]~~ improve, or add to its facilities or
17 service if the commission determines that the proposed purpose
18 will have a material adverse effect on its public utility
19 operations.

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

H.B. NO. 2407
H.D. 2

1 SECTION 4. Each electric utility shall file its first
2 risk-based wildfire protection plan with the public utilities
3 commission required under section 269-B, Hawaii Revised
4 Statutes, established by section 2 of this Act, no later than
5 December 31, 2024.

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6 SECTION 5. Notwithstanding the provisions of section 39A-
7 191, Hawaii Revised Statutes, and the provisions of Act 182,
8 Session Laws of Hawaii 2022, as amended by Act 262, Session Laws
9 of Hawaii 2023, the legislature authorizes the issuance of
10 special purpose revenue bonds for wildfire protection costs that
11 require an allocation of the annual state ceiling under section
12 39B-2, Hawaii Revised Statutes, for the period July 1, 2024,
13 through December 31, 2028. Notwithstanding Section 39A-195, a
14 project agreement entered into in connection with the issuance
15 of special purpose revenue bonds to finance wildfire protection
16 costs may include a project agreement with an affiliate of an
17 electric or gas utility and may contain provisions limiting the
18 obligation to pay, and the security for the payment of, debt
19 service and related deposits and costs in respect of such bonds
20 or loans funded by such bonds to wildfire protection charges and
21 wildfire protection property.

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22 SECTION 6. The legislature authorizes the allocation of
23 the annual state ceiling under section 39B-2, Hawaii Revised
24 Statutes, to the issuance of bonds issued pursuant to section 2

1 of this Act that require such allocation in order for interest
2 on the bonds to be tax-exempt for federal income tax purposes.

3 SECTION 7. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 8. In codifying the new part added to chapter 269,
7 Hawaii Revised Statutes, by section 2 of this Act, the revisor
8 of statutes shall substitute appropriate section numbers for the
9 letters used in designating and referring to the new sections in
10 this Act.

11 SECTION 9. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 10. This Act shall take effect on July 1, 3000.

Report Title:

Wildfires; Mitigation; Protection; Public Utilities Commission;
Electric Utilities; Securitization; Risk Protection Plans

Description:

Creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county. Effective 7/1/3000. (HD2)

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

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

TO THE
HOUSE COMMITTEES ON
CONSUMER PROTECTION AND COMMERCE
and
JUDICIARY AND HAWAIIAN AFFAIRS

March 18, 2024
2:00 p.m.

Chairs Nakashima and Tarnas, Vice Chairs Sayama and Takayama, and Members of the Committees:

MEASURE: S.B. No. 2922, SD2 HD 1
TITLE: RELATING TO PUBLIC UTILITIES.

DESCRIPTION: Creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county. Effective 7/1/3000. (HD1)

POSITION:

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

COMMENTS:

The Commission supports the intent of this measure to create a process for electric utilities to develop and submit wildfire protection plans to the Commission and allow the recovery of related costs and expenses through securitization while minimizing impacts on specific ratepayers or counties. The Commission understands the importance of reducing the likelihood and impact of wildfires across the State and is committed to supporting such efforts.

On March 14, 2024, the Commission testified on SD2 of this measure before the Joint Committee on Water & Land and Energy & Environmental Protection and recommended the incorporation of language from H.B. No. 2407, HD2 into this measure. The Joint Committee subsequently amended S.B. No. 2922, SD2 to insert certain provisions from H.B. No. 2407, HD 2, including those related to:

- (A) Applications to issue bonds and authorize wildfire protection fees;
- (B) Bond issuance and wildfire protection property interest;
- (C) Security interests in wildfire protection property;
- (D) Transfers of wildfire protection property; and
- (E) Successors to electric utilities that have received a financing order.

The Joint Committee, however, did not incorporate provisions related to electric utility workshops and wildfire protection plans. While the Commission appreciates the work of the Joint Committee to incorporate the securitization portions of H.B. No. 2407, HD 2 into S.B. No. 2922. SD2 HD 1, the Commission believes that it is important to include both a wildfire protection plan and securitization in this measure. A wildfire protection plan ensures that an electric utility is providing safe and reliable electricity in a manner that mitigates the risk of a catastrophic wildfire while securitization enables the electric utility to cost-effectively raise the capital necessary to effectuate any wildfire protection plan. These items work in tandem with each other, and the absence of either one of them greatly reduces the effectiveness of the other in mitigating the risk of catastrophic wildfires. The Commission therefore recommends incorporating the provisions in H.B. No. 2407, HD 2 related to electric utility workshops and wildfire protection plans into this measure.

Should this Joint Committee not incorporate the provisions in H.B. No. 2407, HD 2 related to electric utility workshops and wildfire protection plans into this measure, the Commission notes that their absence in this measure has created the need for several technical amendments. These include amendments to the definitions for "Wildfire protection costs" and "wildfire protection plan", as well as any further amendments that may be necessitated by these amendments.

Finally, the Commission recommends the following amendments to: (1) modify the definition of wildfire protection costs to include only costs associated with catastrophic wildfires that the commission finds were prudently incurred; and (2) revise the Commission's review time to 90 days after the last party filing in the wildfire protection plan or plan update docketed proceeding. These amendments add in critical consumer protections and create an appropriate balance of time required to ensure thorough review of utility plans while still ensuring expeditious action.

On Page 7, Line 19 through Page 8, Line 15:

"Wildfire protection costs" means any capital costs and operation and maintenance expenses related to the development, implementation, and administration

of a wildfire protection plan prepared pursuant to section . "Wildfire protection costs" does not include any penalties levied against an electric utility pursuant to section . "Wildfire protection costs" may also include any of the following:

(1) Catastrophic wildfire costs or expenses ~~authorized by the commission in a financing order for recovery that the commission has determined were~~ prudently incurred;

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

(3) Financing costs; and

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

On Page 14, Line 3-18:

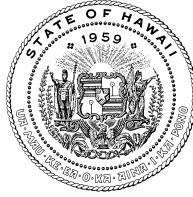
The public utility may request the determination specified in this section by the commission in a separate proceeding, in an existing proceeding, or both. If the commission makes the determination specified in this section, the commission shall establish, as part of the financing order, a procedure for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

commission determines that the amounts identified in the application are wildfire protection costs.

On Page 21, Line 5-1:

(m) The commission shall establish procedures for the expeditious processing of an application for a financing order, which shall provide for the approval or disapproval of the application within ninety days of the ~~application~~ last filing in the application docket. Any wildfire protection fees authorized by a financing order shall appear on ratepayer bills. The commission shall, in any financing order, provide for a procedure for periodic true-up adjustments to wildfire protection fees, which shall be made at least annually and may be made more frequently; provided that no true-up adjustment may be made if such adjustment could reasonably be expected to negatively impact the rights, including the economic rights, of the owners and holders of the bonds or the wildfire protection property. The public utility shall file an application with the commission to implement any true-up adjustment.

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 Consumer Protection & Commerce and
Judiciary & Hawaiian Affairs**

Monday, March 18, 2024

2:00 p.m.

State Capitol, Conference Room 329 and Videoconference

**Supporting the Intent
Senate Bill No. 2922, SD2, HD1, Relating to Public Utilities**

Chairs Nakashima and Tarnas, Vice Chairs Sayama and Takayama, and Members of the House Committees on Consumer Protection & Commerce and Judiciary & Hawaiian Affairs:

The Office of the Governor supports the intent of S.B. No. 2922, SD2, HD1, Relating to Public Utilities, but requests that it be combined with S.B. No. 2997, SD2, HD1.

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.

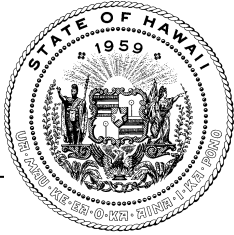
S.B. No. 2922, SD2, HD1, would establish and implement the Catastrophic Wildfire Securitization Act, to allow public utilities to securitize rates to raise capital that can be used to pay for costs and expenses arising out of catastrophic wildfires and sunset on June 30, 2030. While the Office of the Governor supports the general intent of this measure, we have concerns with this approach that would allow "catastrophic wildfire costs" to be included as "recovery costs." We would respectfully ask that the Legislature combining this bill with S.B. No. 2997, SD2, HD1, so that it more closely mirrors the securitization model as outlined in H.B. No. 2407, HD2, Relating to Wildfire Risk Mitigation and we feel that the approach in that bill which limits securitization to wildfire protection plan costs for planning, implementation and execution approved by the public utilities commission, is a more prudent approach to this financing model which is borne by the rate-payers.

We need to ensure wildfire mitigation and prevention policies and plans are adopted by the State, but we need to also find reasonable ways to finance these improvements and investments. Through the securitization model that is proposed in H.B. No. 2407, HD2, resources will be available to address wildfire risk mitigation in a manner that should have a minimal impact on utility customers' electricity bills.

Testimony of Office of the Governor
S.B. No. 2922, SD2, HD1
March 18, 2024
Page 2

The Governor is keenly aware of our state's high electrical rates and the impact that it has on all of our residents. But, the wildfires were a stark and harsh signal to our state that we need to do more to protect against disasters like wildfires. The Office of the Governor supports H.B. No. 2407, HD2, to create a process for wildfire plan protection and mitigation that must be approved by the PUC. Once approved, the PUC would also then have the ability to review a request for securitization financing. Utility rate securitization transactions have an extensive track record of success. Bonds securitized by rates receive AAA credit ratings from credit rating agencies and thus provide a means of securing capital at a lower interest rate than those currently available to utilities, in particular utilities without an investment grade credit rating.

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



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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GOVERNOR
SYLVIA LUKE
LT. GOVERNOR
MARK B. GLICK
CHIEF ENERGY OFFICER
(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

Monday, March 18, 2024
2:00 PM
State Capitol, Conference Room 329 and Videoconference

Providing Comments on
SB 2922, SD2, HD1

RELATING TO PUBLIC UTILITIES.

Chairs Nakashima and Tarnas, Vice Chairs Sayama and Takayama, and members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 2922, SD2, HD1. This proposed measure would establish a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through rate reduction bonds securitized by a dedicated ratepayer fee that does not place a disproportionate impact on a specific ratepayer or county.

HSEO supports the intent of the measure to make available securitized recovery bonds to mitigate future potential financial impacts to utilities from catastrophic wildfires but has several concerns about this measure. While costs and expenses eligible for recovery are limited to prudently incurred costs that are consistent with a public utilities commission-approved plan to mitigate wildfire risk and impacts, there are no guidelines for what such a plan should entail nor are there limits or caps to the total amount of bonds that could be issued for such a purpose.

HSEO continues to prefer a securitization approach to provide the lowest cost financial resources towards wildfire mitigation plans that outlines specific criteria and methodology on allowable wildfire mitigation plans and cost recovery mechanisms to be pursued as articulated in HB 2407, HD2.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

LATE

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE AND
JUDICIARY & HAWAIIAN AFFAIRS
ON
SENATE BILL NO. 2922, S.D. 2, H.D. 1

March 18, 2024
2:00 P.M.
Room 329 and Videoconference

RELATING TO PUBLIC UTILITIES.

The Department of Budget and Finance (B&F) offers the following comments on Senate Bill (S.B.) No. 2922, S.D. 2, H.D. 1, which creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county and authorizes the issuance of Special Purpose Revenue Bonds (SPRB) for wildfire protection costs.

B&F is working with the Department of the Attorney General (Department) on this issue and defers to the Department on comments to help clarify provisions of this bill.

Thank you for your consideration of our comments.



INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

JOINT HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE and JUDICIARY & HAWAIIAN AFFAIRS

HEARING DATE: Monday, March 18, 2024
TIME: 2:00 p.m.
PLACE: State Capitol
Conference Room 329

RE: In Support of Senate Bill 2922 SD2 HD1

Aloha Honorable Chair(s) Nakashima and Tarnas, Vice Chair(s) Sayama and Takayama, 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 Senate Bill 2922 SD2 HD1 with requested 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 members include 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 and resiliency of this precious resource.

IBEW 1260 supports Senate Bill 2922 SD2 HD1 which creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county.

The positive working partnership we've developed with Hawaiian Electric over many decades have faithfully served our members, their families, and communities throughout the state. The future resiliency and reliability of our energy resources and infrastructure are critical to our state's overall well-being and reliant on a strong and stable electric utility and its ability to access low-cost financing for capital costs resulting from catastrophic events.

While we support this measure, we recognize the complexity of the issue and that discussions between the legislature and Hawaiian Electric are ongoing. We strongly support these efforts and humbly ask that you pass SB2922 SD2 HD1.

Mahalo for the opportunity to testify on this important matter.



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

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

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Rep. David A. Tarnas, Chair
Rep. Gregg Takayama, Vice Chair

Monday, March 18, 2024
2:00 PM
Conference Room 329

SB 2922, SD2, HD1 RELATING TO PUBLIC UTILITIES.

SUPPORT & AMEND

Aloha Chairs Nakashima & Tarnas, Vice Chairs Sayama & Takayama, and Committees Members

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 54 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

SB 2922 addresses wildfire protection plans and securitization.

The bill was heard by WAL/EEP on March 12, 2024.

Life of the Land concurs with the Consumer Advocate and the Hawaii State Energy Office testimony that raised concerns about the use of the term "prudently incurred costs" and what costs that would cover, and concurs with the concerns raised the Public Utilities Commission on page 2 of their testimony that addressed prudence and other issues.

Mahalo



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

Representative David Tarnas, Chair
Representative Gregg Takayama, Vice Chair
Committee on Judiciary & Hawaiian Affairs

Monday, March 18, 2024; 2:00 p.m.
Conference room 329 & Videoconference

RE: SB 2922 SD2 HD1 – Relating to Public Utilities – In Support

Aloha Chairs Nakashima and Tarnas, Vice Chairs Sayama and Takayama, and members of the Committees,

My name is Wren Wescoatt, Vice President of Development for Longroad Energy (Longroad), and I am testifying in support for SB 2922 SD2 HD1. This bill is an important step toward restoring Hawaiian Electric Company's (HECO's) credit rating which will reduce the financial costs to ratepayers and allow the utility to continue progress on meeting the state's clean energy goals.

I have worked in renewable energy project development in Hawai'i for the past 15 years for Longroad and First Wind. Together, our team has developed about half of the utility-scale wind and solar capacity operating in Hawaii today, and we financed more than \$500 million for construction of Hawaii projects – all of which have power contracts with HECO. Nationwide, Longroad has developed and acquired 5,400 megawatts of renewable energy projects and has successfully raised over \$14.6 billion in capital via permanent project debt, project construction debt, corporate debt, tax equity, sale leasebacks, portfolio subordinated debt, partnership/JV equity, project equity and corporate-level equity.

In order for any grid-scale clean energy projects to be constructed, HECO must have a credit rating of sufficient quality for lenders to provide financing. Since the Maui wildfires, HECO's credit was downgraded, and until that credit rating improves, it is very unlikely that Longroad – or any other independent power producer – will be able to finance future energy projects in Hawaii. Utility-scale renewable projects will need to be put on hold indefinitely. All the progress that Hawaii has been making in transitioning toward 100% renewable energy will come to a full stop.

SB 2922 SD2 HD1 offers an important solution to help restore HECO's credit rating. Securitization would allow the utility a critical path to access low-interest capital to fund its normal operations and system improvements. It also would allow HECO to enter into new Power Purchase Agreements that are currently being negotiated with Longroad and other clean power producers. Most importantly, this bill could go a long way toward improving the utility's credit rating, which would ultimately lower costs for ratepayers and enable Hawaii's clean energy transition to continue.

I would encourage you to please pass SB 2922 SD2 HD1.

Mahalo,

A handwritten signature in black ink, appearing to read "Wren W. Wescoatt", is written over a light blue horizontal line.

Wren W. Wescoatt
Vice President of Development
wren.wescoatt@longroadenergy.com
808-780-1000

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



March 17, 2024

Via Electronic Submittal

Rep. Mark M. Nakashima, Chair
Rep. Jackson D. Sayama, Vice Chair
Committee on Consumer Protection & Commerce

Rep. David A. Tarnas, Chair
Rep. Gregg Takayama, Vice Chair
Committee on Judiciary & Hawaiian Affairs

Monday, March 18, 2024; 2:00 p.m.
Conference Room 329 & Videoconference

RE: SB 2922 SD2 HD1 – Relating to Public Utilities – Support the Intent

Aloha Chairs Nakashima and Tarnas, Vice Chairs Sayama and Takayama, and members of the Committees,

Clearway Energy Group (“Clearway”) supports the intent of SB 2922 SD2 HD1, which provides a mechanism for securitization of utility costs associated with wildfires.

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 2922 SD2 HD1, Clearway wishes to underscore the importance of a financially stable utility in keeping Hawai’i on track to meet its clean energy and grid reliability goals. Independent power producers such as Clearway enter

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

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

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

Thank you for the opportunity to testify on this matter.

Nicola Park
Director, Hawaii
Clearway Energy Group



Testimony Before the House Committees on Consumer Protection & Commerce and
Judiciary & Hawaiian Affairs

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

Monday, March 18, 2024; 2:00 pm
Conference Room #329 & Videoconference

Senate Bill No. 2922 SD2 HD1 - RELATING TO PUBLIC UTILITIES

To the Honorable Mark Nakashima and David Tarnas, Chairs, Honorable Jackson D. Sayama and Gregg Takayama, 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 supports this legislation with modifications.

KIUC recognizes that it is in the best interest of the state to minimize negative impacts to electric utility ratepayers for wildfire risk mitigation, disaster relief, and litigation. Providing vehicles such as the Catastrophic Wildfire Securitization Act to allow utilities to establish securitized charges in order to raise capital can have a positive impact on the utilities' financial viability.

KIUC further agrees that financially stable utilities with the ability to access capital for critical investments necessary to improve safety and reliability is extremely important for Hawaii. Securitization can be a cost-effective method for accessing capital for utilities and may be critically important for utilities that have non-investment grade credit ratings or other capital access difficulties.

KIUC does not anticipate the need to seek a financing order for wildfire mitigation efforts, or for utility system rebuilding cost as proposed in the bill because KIUC would have access to funding assistance from the Federal Emergency Management Agency (FEMA). It is reasonable to expect FEMA would cover 75% of KIUC's rebuilding costs following a major catastrophic event, which would include a wildfire. Additionally, as a cooperative, KIUC has access to low-cost capital through the U.S.D.A. Rural Utilities Service (RUS), which would likely be a lower interest rate source of debt capital than even AAA-rated securitized bonds. If RUS debt is unavailable, KIUC would seek capital from one of our cooperative lenders, such as the National Rural Utilities Cooperative Finance Corporation or CoBank.

KIUC appreciates the flexibility to potentially utilize the provisions of a financing order in the event Kauai suffered from a catastrophic wildfire event which could result in responsibility for damages and claims outside of utility property covered under FEMA provisions or typically available for RUS financing. Due to the significant costs of issuing and servicing a securitized debt offering, securitization would likely only be applicable to wildfire recovery costs in excess of \$100 million dollars. KIUC does not anticipate our wildfire mitigation costs and expenses reaching this level, making securitization of limited applicability to financing the needs for Kaua'i.

With or without securitization and related financing order, recovery of prudently incurred wildfire mitigation costs is critically important for an electric utility. As currently drafted, outside of a high dollar level securitized debt offering, which electric cooperative likely will not have enough eligible costs to participate in, there is no other provision for cost recovery. KIUC does not have the ability to adjust utility rates for wildfire plan related costs without going through a expensive and time consuming general rate case process with the Hawaii PUC. **Because of this, as currently drafted, this bill does not give parity to cooperative utilities in the ability to recover costs for wildfire mitigation efforts and potential claims**

KIUC recommends the bill be amended to include a provision for electric cooperatives to recover allowable costs as a surcharge or "rider" to member electric rates upon approval of costs by the HPUC, in the event that issuing bonds under securitization provisions is not cost-effective.

KIUC offers the following addition to §269-B Applications to issue bonds and authorize wildfire protection fees:

(p) Absent a financing order, the public utilities commission may create, pursuant to an application from a cooperative electric utility, a non-bypassable surcharge referred to as a fixed recovery charge, which shall be applied to wildfire protection costs as described in §269-A Definitions. The fixed recovery charge will be a dedicated, discrete tariff rider and shall be reconciled and adjusted on a yearly basis via a yearly informational filing with the HPUC and shall go into effect 30 days after such yearly filing.

Finally, **KIUC supports the language in §269-B (e)**; "Fixed recovery charges and any associated fixed recovery tax amounts shall be imposed only on existing and future ratepayers in the utility service territory." KIUC supports the intent to specifically avoid statewide cost recovery mechanisms tied to securitization provisions alone.

Mahalo for your consideration.



Email: communications@ulupono.com

HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE AND JUDICIARY & HAWAIIAN
AFFAIRS

Monday, March 18, 2024 — 2:00 p.m.

Ulupono Initiative supports SB 2922 SD2 HD1, Relating to Public Utilities.

Dear Chair Nakashima, Chair Tarnas, 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 SB 2922 SD2 HD1 and offers comments. This bill creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county.

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

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

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

While many may view such a bill as a benefit to existing electric utilities, it is important to note that any business would struggle to make significant investments while facing limited access to the capital markets. Higher interest rates and other unfavorable lending terms would otherwise only end up increasing energy rates for customers.¹ In addition, due to the financing structure of renewable energy projects, an electric utility that suffers from a lower credit rating may also be less likely to leverage their balance sheet to support important utility-scale renewable energy projects, undermining Hawai'i's ongoing shift towards achieving a completely renewable energy future.



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

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

SB 2922 represents a small step towards managing the financial implications of natural disasters on public utilities and their customers. Ulupono supports the bill’s intent and encourages the inclusion of additional safeguards to ensure transparency, accountability, and the protection of ratepayers’ interests.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

¹ As stated by the Hawaiian Electric Companies in its Jan. 31, 2024, filing with the Public Utilities Commission, “Maui Electric is aware of 100 complaints related to the August 2023 Maui wildfires that assert claims against Maui Electric. One complaint is pending in the First Circuit Court in O’ahu, 19 complaints are pending in the Second Circuit Court in Maui County, and 80 complaints are pending in the U.S. District Court. for the District of Hawai’i.” (See Non-Docketed Case No. 2023-04643 Maui Electric Monthly Wildfire-Related Litigation Report January 2024. <https://shareus11.springcm.com/Public/DownloadNative/25256/e52ef351-84c0-ee11-b83e-48df377ef808/0b5fa85f-a9c0-ee11-b83e-48df377ef808>) The potential liability associated with these lawsuits are the main driver of Hawaiian Electric’s credit downgrade.



**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS
SB 2922, SD2, HD1
Relating to Public Utilities**

Monday, March 18, 2024 at 2:00 PM
State Capitol, Conference Room 329

Kevin Katsura
Director, Regulatory Non-Rate Proceedings
Hawaiian Electric

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama,
and Members of the Committees,

My name is Kevin Katsura and I am testifying on behalf of Hawaiian Electric in **support of SB 2922, SD2, HD1, Relating to Public Utilities and requesting amendments that largely improve the technical functioning of the bill without altering its substance. These amendments reflect input from the Attorney General's office.** We would like to work with the current committees to improve the language of SB 2922, SD2, HD1. The increasing risk of catastrophic wildfires has placed an unprecedented financial strain on electric utilities, necessitating new solutions to ensure continued safe and affordable electric service. This bill presents a strategic approach to this complex problem by introducing a securitization mechanism specifically tailored to wildfire-related costs. This bill provides a utility access to capital in response to a climate related event and has been adopted in some form in more than twenty-five states.

SB 2922, SD2, HD1 also known as the Catastrophic Wildfire Securitization Act, would allow the Public Utilities Commission (“Commission”) to authorize the issuance of bonds to pay for electric utilities’ costs and expenses related to catastrophic wildfires. The bonds would be backed—that is, securitized—by a guaranteed revenue stream of future rate payments.

Under SB 2922,SD2, HD1, the commission may authorize the issuance of these bonds only under certain circumstances. The commission must determine that the wildfire costs and expenses the bonds are covering are just and reasonable. It must determine that the payment of interest rates and other bond-related fees is itself just and reasonable. It must determine that issuance of the bonds is consistent with the public interest.

SB 2922, HD1 would also codify a series of specific requirements designed to protect the integrity of these bonds. These detailed requirements parallel similar requirements in securitization statutes in other states, including California. They are necessary for the bonds to satisfy the expectations of the market for utility bonds; the requirements of rating agencies; and the rules of the IRS for favorable tax treatment.

We proposed edits to the provisions of SB 2922, SD2, HD1, in several respects. These edits are reflected on an attached black-line document.

First, we have proposed a number of technical amendments to the bill that bring HD1 in line with the expectations of the market and rating agencies as to how utility securitizations work. These amendments do not change the substance of the bill—they ensure, instead, that its purpose to permit effective securitization of wildfire costs is successful. These amendments reflect standard best practices for utility securitizations

that are designed to achieve the best possible ratings and meet market expectations. These are designed to ensure that the bill includes the features needed for a successful securitization transaction. These amendments bring the HD1 version in line with numerous securitization statutes adopted in recent years in other states. Those other state statutes have resulted in many successful securitization transactions, and we recommend these amendments to meet market and rating agency expectations, thus leading to the lowest possible cost.

For example, we have amended the definition of financing entity to make clear that it may be the electric utility, a government issuer, or an another entity to be selected by the utility. We have also added language limiting the true-up adjustment procedure (which corrects electricity rates based on actual rather than estimated costs) to mathematical and clerical errors; this is pivotal for credit ratings agencies.

Second, we have made edits to ensure the functioning of the securitization transaction. For example, we clarified what precisely must be included in the application for a financing order. We also updated the state pledge to align more closely with contemporary securitization bills in other states.

Lastly, we added provisions clarifying that the PUC must find that the securitization transaction would reduce ratepayer costs.

In the wake of the Maui fires, electric utilities will need to raise substantial amounts of capital to cover expenses associated with catastrophic wildfires. Securitization is the most efficient, least-cost way to finance those expenses. Bonds securitized by rates receive AAA credit ratings from credit ratings agencies and thus provide a means of securing capital at a lower interest rate than those currently

available to utilities. For Hawaiian Electric, the potential savings are even greater, because rating agencies have rated us below investment-grade in the wake of the Maui fires, even before any determination of cause or fault has been reached. That rating means our ability to raise capital at this time is constrained and costly, which could harm customers through higher rates and reduced investment. A financially weak utility is less able to make the investments and commitments Hawaii needs to meet its renewable energy and other goals.

Securitization is also well-established. Since the 1990s, at least twenty states have allowed investor-owned utilities to finance costs and expenses using securitized bonds. In 2022 alone, utilities in California raised over \$8 billion through securitization to cover costs associated with wildfires.

In summary, SB 2922, SD2, HD1, with our proposed amendments, will enable the expenses due to catastrophic wildfires – that the commission determines customers should pay – to be financed at a lower cost and with less impact on customer bills. It will support the financial strength of electric utilities, which will enable them to make investments to reduce the risk of future wildfires at the lowest possible cost. And it will result in the adoption of a mechanism for funding wildfire costs that is well-established and well-tested, providing an added assurance of efficacy.

Thank you for the opportunity to testify in support of SB 2922, SD2, HD1 with amendments. Please pass SB 2922, SD2, HD1 with amendments.

A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

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

SECTION 1. The legislature finds that securitization may be the most efficient, least costly way to finance wildfire risk mitigation costs and expenses. Utility rate securitization transactions have an extensive track record of success. Bonds securitized by rates receive investment grade credit ratings from credit rating agencies and thus provide a means of securing capital at a lower interest rate than those currently available to utilities, in particular utilities without an investment grade credit rating.

The purpose of this Act is to create a process whereby electric utilities are able to timely recover the prudently incurred costs and expenses of developing, implementing, and administering wildfire protection plans and ensure those costs and expenses are not borne disproportionately by any particular ~~ratepayer~~consumer or county.

SECTION 2. Chapter 269, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART . WILDFIRE PROTECTION AND MITIGATION

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

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

"Assignee" means a legally recognized entity:

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

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

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

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

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

"Commission" means the public utilities commission.

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

"Electric utility" means ~~a public utility~~ an electric utility company that is engaged in the production, transmission, or distribution of electricity.

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

- (1) Principal, interest, and redemption premiums that are payable on bonds;
- (2) A payment required under an ancillary agreement;
- (3) An amount required to fund or replenish reserve accounts or other accounts established under an indenture, ancillary agreement, or other financing document related to the bonds;
- (4) Taxes, franchise fees, or license fees imposed on the ~~wildfire protection fee~~ wildfire protection charge, or otherwise resulting from the collection of the charges, in any such case whether paid, payable, or accrued;

(5) Costs related to issuing and servicing bonds or the application for a financing order, including without limitation servicing fees and expenses, trustee fees and expenses, legal fees and expenses, accounting fees, administrative fees, underwriting and placement fees, financial advisory fees, original issue discount, capitalized interest, rating agency fees, and any other related costs that are approved for recovery in the financing order; and

(6) Other costs as specifically authorized by a financing order.

"Financing entity" means an electric utility company or an entity to which an electric utility company or an affiliate of an electric utility company sells, assigns or pledges all or a portion of the electric utility company's interest in recovery property, including an affiliate of the electric utility company or any unaffiliated entity, in each case as approved by the commission in a financing order. For this purpose, and subject to section 269-D(c), an entity to which an electric utility company sells, assigns or pledges all or a portion of the electric utility company's interest in recovery property may include any governmental entity that is able to issue recovery bonds that are exempt from federal tax pursuant to section 103 of the Internal Revenue Code of 1986, including the State or a political subdivision thereof or any department, agency or instrumentality of the foregoing; provided that the recovery bonds issued thereby shall not constitute a general obligation of the State or any political subdivision thereof or any department, agency or instrumentality thereof and shall not constitute a pledge of the full faith and credit of the entity or of the State or any political subdivision thereof, but shall be payable solely from the funds provided under this chapter.~~the electric utility; an affiliate of the electric utility; a special purpose vehicle, regardless of whether the special purpose~~

~~vehicle is affiliated with an electric utility; or a governmental financing entity that is authorized by the commission to issue bonds or acquire wildfire protection property, or both, pursuant to a financing order.~~

"Financing order" means an order of the commission under this part that has become final and no longer subject to appeal as provided by law and that authorizes the issuance of recovery bonds and the imposition, adjustment from time to time, and collection of recovery charges, and which shall include ~~an order of the commission under this part that has become final as provided by law, and that authorizes the issuance of bonds and the imposition and collection of wildfire protection fees.~~ "Financing order" includes without limitation a procedure to require the expeditious approval by the commission of periodic adjustments to ~~wildfire protection fee~~ wildfire protection charge and to any associated fixed recovery tax amounts included in that financing order to ensure recovery of all wildfire protection costs and the costs associated with the proposed recovery, financing, or refinancing thereof, including the costs of servicing and retiring the bonds contemplated by the financing order.

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

"Fixed recovery tax amounts" means those nonbypassable rates and other charges, including but not limited to distribution, connection, disconnection, and termination rates and charges, that are needed to recover federal and state taxes associated with ~~wildfire protection~~

~~feewildfire protection charges~~ authorized by the commission in a financing order, but are not approved as financing costs financed from proceeds of bonds.

"Governmental financing entity" means the State or a political subdivision thereof or any department, agency, or instrumentality of the State or a political subdivision to which ~~a public utility~~ an electric utility company has assigned or pledged its interest in wildfire protection property as security for the payment of debt service on bonds, and related administrative costs and funding of reserves, issued by the governmental financing entity; provided that the bonds issued by the entity shall not constitute a ~~debt or liability~~ general obligation of the entity or of the State or any political subdivision of the State and shall not constitute a pledge of the full faith and credit of the entity or of the State or any political subdivision of the State, but shall be payable solely from the funds provided under this chapter.

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

"Wildfire protection costs" means any capital costs and operation and maintenance expenses related to the development, implementation, and administration of a wildfire protection plan prepared pursuant to section . "Wildfire protection costs" does not include any

penalties levied against an electric utility pursuant to section . "Wildfire protection costs" may also include any of the following:

(1) Catastrophic wildfire costs or expenses authorized by the commission in a financing order for recovery;

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

(3) Financing costs; and

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

~~"Wildfire protection fee"~~Wildfire protection charge" means the nonbypassable fees and charges, including but not limited to distribution, connection, disconnection, and termination rates and charges, that are authorized by section 269-B and in a financing order authorized under this part to be imposed on and collected from all existing and future consumers of a financing entity or any successor to recover both of the following:

(1) ~~Wildfire protection~~Financing costs specified in the financing order; and

(2) The costs of recovering, financing, or refinancing wildfire protection costs through a plan approved by the commission in the financing order, including the costs of servicing and retiring bonds.

"Wildfire protection plan" means the risk-based wildfire protection plan mandated by section and approved by the commission.

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

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

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

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

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

(1) The imposition, charging, and collection of a ~~wildfire protection fee~~wildfire protection charge, to become effective upon the issuance of the bonds, and an adjustment of any such ~~wildfire~~

~~protection fee~~wildfire protection charge in accordance with a true-up adjustment mechanism under this part in amounts sufficient to pay the principal of and interest on bonds and all related financing costs on a timely basis;

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

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

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

(1) The principal amount of the bonds proposed to be issued and the selection of a financing entity;

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

(3) The expected term, which shall include a scheduled final payment date not to exceed thirty years, and a legal final maturity that may be longer, subject to rating agency and market conditions, during which the ~~wildfire protection fee~~wildfire protection charge associated with the issuance of each series of bonds is expected to be imposed and collected;

(4) An estimate of the financing costs associated with the issuance of each series of bonds;

(5) An estimate of the amount of the ~~wildfire protection fee~~wildfire protection charge revenues necessary to pay principal and interest on the bonds and related financing costs as set forth in the application and the calculation for that estimate;

(6) A proposed design of the wildfire protection charges, and a proposed methodology for allocating the wildfire protection feewildfire protection charge among customer classes;

(7) A description of the true-up adjustment for the adjustment of the ~~wildfire protection fee~~wildfire protection charge to correct for any overcollection or undercollection of the ~~wildfire protection fee~~wildfire protection charge, and to otherwise ensure the timely payment of principal and interest on the bonds and related financing costs; and

(8) Any other information required by the commission.

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

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

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

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

(3) Whether the terms and conditions of any bonds to be issued, including without limitation interest rates, rating, amortization redemption, and maturity, and the imposition and collection of fixed recovery charges as set forth in an application, are just and reasonable;

(4) Whether the recovery of recovery costs through the designation of the fixed recovery charges and any associated fixed recovery tax amounts, and the issuance of recovery bonds in connection with the fixed recovery charges, would result in net savings to consumers and reduce, to the maximum extent possible, the rates on a present value basis that consumers would pay as compared to the use of traditional utility financing mechanisms, which shall be calculated using the public utility's updated overall corporate debt and equity costs in the ratio approved by the commission at the time of the financing order, provided that the commission may hire, and rely upon, a financial advisor in connection with such determination, so long as such financial advisor shall not direct how the recovery bonds are placed to market; and the issuance of the bonds are reasonably expected to result in the lowest fixed recovery charges consistent with market conditions at the time the wildfire bonds are priced and the terms of the financing order~~Whether the immediate ratepayer bill impact of any financing order is minimized to the furthest extent practicableand;~~ and~~5) Whether the issuance of the bonds would be beneficial, including by avoiding or significantly mitigating abrupt and significant increases in rates to consumers for the applicable time period in the absence of the bonds.~~

~~(565)~~ Any other factors that the commission deems reasonable and in the public interest.

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

At the option of the electric utility company, the electric utility company may include in its application for a financing order a request for authorization to sell, transfer, assign or pledge recovery property to a governmental financing entity if it expects recovery bonds issued by a governmental financing entity would result in a more cost efficient means, taking into account all financing costs related to such recovery bonds, than using another financing entity to issue recovery bonds to finance the same recovery costs, taking into account the costs of issuing such other financing entity's bonds. If an electric utility company

exercises such option, the commission may hire a financial advisor in connection with its review, upon which it may rely, provided, however, such financial advisor shall not direct how the recovery bonds are placed to market.

(e) The Commission shall not issue a financing order to the extent that the wildfire protection charges under all financing orders issued under this chapter constitute more than 5% of the average residential customer bill, calculated at the time of the last such financing order. This provision shall not affect any financing order previously issued under this chapter.

(ef) ~~Wildfire protection fee~~Wildfire protection charges shall be imposed only on existing and future ~~ratepayer~~consumers in the utility service territory. ~~Ratepayer~~Consumers within the utility service territory of the electric utility company that is subject to such financing order shall continue to pay ~~wildfire protection fee~~wildfire protection charges until the bonds and associated financing costs are paid in full by the financing entity or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default, until the receipt of proceeds by such assignee in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding.

(fg) The wildfire protection ~~plan~~-fee and any associated fixed recovery tax amounts shall be collected by a financing entity or its successors, in accordance with subsection (h), in full through a surcharge, fee, or charge that is separate and apart from the financing entity's rates.

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

(hi) The commission may establish in a financing order an effective mechanism that ensures recovery of wildfire protection costs through nonbypassable ~~wildfire protection fee~~wildfire protection charges from existing and future consumers in the utility service territory. The ~~wildfire protection fee~~wildfire protection charge and any associated fixed recovery tax amounts may be a usage-based surcharge, a flat user fee, or a charge based upon customer revenues as determined by the commission for each customer class in any financing order. Consumers shall be required to pay those charges until:

(1) The bonds and all associated financing costs are paid in full ~~by the financing entity~~; or

(2) In the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default, until the receipt of proceeds by such assignee in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding, at which time those charges shall be terminated.

A financing order shall remain in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the electric utility or the commencement of any judicial or nonjudicial proceeding on the financing order. ~~Wildfire protection fee~~Wildfire protection charges shall be irrevocable, notwithstanding the true-up adjustment pursuant to subsection (m).

(+j) The commission shall issue financing orders in accordance with this chapter to facilitate the recovery, financing, or refinancing of wildfire protection costs. A financing order may be adopted only upon the application of ~~the public utility~~the electric utility company and shall become effective in accordance with its terms only after ~~the public utility~~the electric utility company files with the commission the ~~public utility's~~electric utility company's written consent to all terms and conditions of the financing order. A financing order may specify how amounts collected from a consumer shall be allocated between ~~wildfire protection fee~~wildfire protection charges, any associated fixed recovery tax amounts, and other charges.

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

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

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

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

(4) Except for changes made pursuant to the formula-based true-up mechanism authorized under § 269-E(a)(1), reduce, alter, or impair wildfire protection charges that are to be imposed, billed, charged, collected, and remitted for the benefit of the bondholders, any assignee, and any other financing parties until any and all principal, interest, premium, financing costs and other fees, expenses, or charges incurred, and any contracts to be performed, in connection with the related bonds have been paid and performed in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default under the terms of the bonds, until the receipt of proceeds by such assignee in an amount sufficient to repay principal and interest on the bonds that would have accrued had they remained outstanding.~~The commission shall not, either by rescinding, altering, or amending the financing order or otherwise, revalue or revise for ratemaking~~

~~purposes the wildfire protection costs or the costs of recovering, financing, or refinancing the wildfire protection costs, in any way to reduce or impair the value of wildfire protection property or of the right to receive any associated wildfire protection fees either directly or indirectly by taking wildfire protection fees into account when setting other rates for the public utility. The amount of revenues shall not be subject to reduction, impairment, postponement, or termination. The State does hereby pledge and agree with the public utility, owners and assignees of wildfire protection property, financing entities, and holders of bonds that the State shall neither limit nor alter, except as otherwise provided with respect to the true-up adjustment of the wildfire protection fees pursuant to subsection (m), wildfire protection fees, wildfire protection property, financing orders, or any rights under a financing order until:~~

~~——(1) The bonds, together with the interest on the bonds and associated financing costs, are fully paid and discharged;~~

~~——(2) In the alternative, the bonds have been refinanced through an additional issue of bonds; or~~

~~——(3) In the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default, until the receipt of proceeds by such assignee in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding; provided that nothing contained in this section shall preclude the limitation or alteration if and when adequate provision shall be made~~

~~by law for the full protection of the public utility and of owners and holders of the bonds and the wildfire protection property. Any financing entity may include this pledge and undertaking for the State in these bonds. When setting other rates for the public utility, nothing in this subsection shall prevent the commission from taking into account any collection of wildfire protection fees in excess of amounts actually required, or would have been required had the bonds remained outstanding following a default, to pay wildfire protection costs financed or refinanced by bonds; provided that this shall not result in a recharacterization of the tax, accounting, and other intended characteristics of the financing, including but not limited to either treating the bonds as debt of the applicable financing entity for federal income tax purposes or treating the transfer of the wildfire protection property by the public utility as a true sale for bankruptcy purposes.~~

(~~k~~l) Under a ~~final~~ financing order, the bonds may be issued in one or more series, and the electric utility shall retain sole discretion to cause bonds to be issued, including the right to defer or postpone such issuance, assignment, sale, or transfer.

(~~l~~m) Neither financing orders nor bonds issued under this chapter shall constitute a ~~debt or liability~~ general obligation of the State or of any political subdivision thereof, nor shall they constitute a pledge of the full faith and credit of the State or any of its political subdivisions, but shall be payable solely from the ~~funds~~ wildfire protection property provided under this chapter. All bonds shall contain on the face thereof a statement to the following effect: "Neither the full faith and credit nor the taxing power of

the State of Hawaii is pledged to the payment of the principal of, or interest and premium on, this bond."

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

(~~an~~) The commission shall establish procedures for the expeditious processing of an application for a financing order, which shall provide for the approval or disapproval of the application within ninety days of the application. Any ~~wildfire protection fee~~wildfire protection charges authorized by a financing order shall appear on ~~ratepayer~~consumer bills. The commission shall, in any financing order, provide for a procedure for periodic true-up adjustments to ~~wildfire protection fee~~wildfire protection charges, which shall be made at least annually and may be made more frequently ~~provided that no true-up adjustment may be made if such adjustment could reasonably be expected to negatively impact the rights, including the economic rights, of the owners and holders of the bonds or the wildfire protection property.~~ The electric utility company shall file~~make an application filing~~ with the commission to implement any true-up adjustment, and the review by the commission of such filings shall be limited to mathematical and clerical errors. Within thirty days after receiving an electric utility company's filing of a true-up adjustment, the commission's review of the filing shall be limited to mathematical or clerical errors as determined in accordance with any true-up adjustment formulas set forth in the applicable financing order. The commission

shall either approve the filing or inform the electric utility company of any mathematical or clerical errors in its calculation. If the commission informs the electric utility company of mathematical or clerical errors in its calculation, the electric utility company shall correct its error and refile its true-up adjustment. The timeframes previously described in this subsection shall apply to a refiled true-up adjustment.

(~~no~~) ~~Wildfire protection fee~~Wildfire protection charges are wildfire protection property when, and to the extent that, a financing order authorizing the ~~wildfire protection fee~~wildfire protection charge has become effective in accordance with this chapter, and the wildfire protection property shall thereafter continuously exist as property for all purposes, and all of the rights and privileges relating to that property shall continuously exist for the period and to the extent provided in the financing order, but in any event until the bonds are paid in full, including all principal, premiums, if any, and interest with respect to the bonds, and all ~~associated other~~ financing costs are paid in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default, until the receipt by such assignee of proceeds in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding. A financing order may provide that the creation of wildfire protection property shall be simultaneous with the sale of the wildfire protection property to an assignee as provided in the application of the pledge of the wildfire protection property to secure the bonds.

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

§269-C Bonds; issuance; wildfire protection property

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

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

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

(b) To the extent that any interest in wildfire protection property is sold, assigned, or is pledged as collateral pursuant to subsection (a), the commission shall ~~authorize~~require ~~the public utility~~the electric utility company to contract with the financing entity and its assignees that it will continue to operate its system to provide service to consumers within its service territory, will

collect amounts in respect of the ~~wildfire protection fee~~wildfire protection charges for the benefit and account of the financing entity ~~and or~~ its assignees, and will account for and remit these amounts to or for the account of the financing entity or its assignees. Contracting with the financing entity and its assignees in accordance with that authorization shall not impair or negate the characterization of the sale, assignment, or pledge as an absolute transfer, a true sale, or a security interest, as applicable. To the extent that billing, collection, and other related services with respect to the provision of the ~~public utility's~~electric utility company's services are provided to a consumer by any person or entity other than ~~the public utility~~the electric utility company in whose service territory the consumer is located, that person or entity shall collect the ~~wildfire protection fee~~wildfire protection charges and any associated fixed recovery tax amounts from the consumer for the benefit and account of ~~the public utility~~the electric utility company, financing entity, or assignees with the associated revenues remitted solely for such person's benefit as a condition to the provision of electric service to that consumer. Each financing order shall impose terms and conditions, consistent with the purposes and objectives of this chapter, on any person or entity responsible for billing, collection, and other related services, including without limitation collection of the ~~wildfire protection fee~~wildfire protection charges and any associated fixed recovery tax amounts, that are the subject of the financing order.

(c) The financing entity may issue bonds upon approval by the commission in a financing order. Bonds shall be nonrecourse to the

credit or any assets of ~~the public utility~~the electric utility company, other than the wildfire protection property as specified in that financing order.

(d) Wildfire protection property that is specified in a financing order shall constitute an existing, present property right, notwithstanding the fact that the imposition and collection of ~~wildfire protection fee~~wildfire protection charges depend on the electric utility continuing to provide services or continuing to perform its servicing functions relating to the collection of ~~wildfire protection fee~~wildfire protection charges or on the level of future service consumption. Wildfire protection property shall exist whether or not the ~~wildfire protection fee~~wildfire protection charges have been billed, have accrued, or have been collected and notwithstanding the fact that the value for a security interest in the wildfire protection property, or amount of the wildfire protection property, is dependent on the future provision of service to consumers. All wildfire protection property specified in a financing order shall continue to exist until the bonds issued pursuant to a financing order and all associated financing costs are paid in full or, in the event the wildfire protection property has been assigned to an assignee in connection with the exercise of remedies upon a default, until the receipt by such assignee of proceeds in an amount sufficient to repay the principal amount of, and interest that would have accrued on, the bonds had they remained outstanding.

(e) Wildfire protection property, ~~wildfire protection fee~~wildfire protection charges, and the interests of an assignee, bondholder, or financing entity, or any pledgee in wildfire protection

property and ~~wildfire protection fee~~wildfire protection charges shall not be subject to setoff, counterclaim, surcharge, recoupment, or defense by the electric utility or any other person or in connection with the bankruptcy, reorganization, or other insolvency proceeding of the electric utility, any affiliate of the electric utility, or any other entity.

(f) Notwithstanding any other law to the contrary, any requirement under this part or a financing order that the public utilities commission takes action with respect to the subject matter of a financing order shall be binding upon the commission, as it may be constituted from time to time, and any successor agency exercising functions similar to the commission, and the commission shall have no authority to rescind, alter, or amend that requirement in a financing order.

§269-D Security interests in wildfire protection property; financing statements. (a) A security interest in wildfire protection property is valid and enforceable against the pledgor and third parties, subject to the rights of any third parties holding security interests in the wildfire protection property perfected in the manner described in this section, and attaches when all of the following have taken place:

(1) The commission has issued a financing order authorizing the ~~wildfire protection fee~~wildfire protection charge included in the wildfire protection property;

(2) Value has been given by the pledgees of the wildfire protection property; and

(3) The pledgor has signed a security agreement covering the wildfire protection property.

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

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

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

(d) Subject to the terms of the security agreement covering the wildfire protection property and the rights of any third parties holding security interests in the wildfire protection property, the

validity and relative priority of a security interest created under this section shall not be defeated or adversely affected by the commingling of revenues arising with respect to the wildfire protection property with other funds of ~~the public utility~~the electric utility company, or by any security interest in a deposit account of that ~~public electric~~ utility company perfected under chapter 490, article 9, into which the revenues are deposited.

Subject to the terms of the security agreement, upon compliance with the requirements of section 490:9-312(b)(1), the pledgees of the wildfire protection property shall have a perfected security interest in all cash and deposit accounts of the ~~electrical corporation~~ utility company in which wildfire protection property revenues have been commingled with other funds; provided that the perfected security interest shall be limited to an amount no greater than the amount of the wildfire protection property revenues received by ~~the public utility~~the electric utility company within twelve months before:

(1) Any default under the security agreement; or

(2) The institution of insolvency proceedings by or against ~~the public utility~~the electric utility company, less payments from the revenues to the pledgees during that twelve-month period.

(e) If default occurs under the security agreement covering the wildfire protection property, the pledgees of the wildfire protection property, subject to the terms of the security agreement, shall have all rights and remedies of a secured party upon default under chapter 490, article 9, and shall be entitled to foreclose or otherwise enforce their security interest in the wildfire protection property, subject to the rights of any third parties holding prior security

interests in the wildfire protection property perfected in the manner provided in this section. In addition, the commission may require in the financing order creating the wildfire protection property that, in the event of default by the ~~electrical corporation~~electric utility company in payment of wildfire protection property revenues, the commission and any successor thereto, upon the application by the pledgees or ~~transferee~~assignees, including ~~transferee~~assignees under section 269-E of the wildfire protection property, and without limiting any other remedies available to the pledgees or ~~transferee~~assignees by reason of the default, shall order the sequestration and payment to the pledgees or ~~transferee~~assignees of wildfire protection property revenues. Any order shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the debtor, pledgor, or transferor of the wildfire protection property. Any surplus in excess of:

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

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

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

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

§269-E Transfers of wildfire protection property. (a) A

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

(b) The characterization of the sale, assignment, or transfer as an absolute transfer and true sale and the corresponding characterization of the property interest of the assignee shall not be affected or impaired by, among other things, the occurrence of any of the following:

(1) Commingling of ~~wildfire protection fee~~wildfire protection charge revenues with other amounts;

(2) The retention by the seller of either of the following:

(A) A partial or residual interest, including an equity interest, in the financing entity or the wildfire protection property, whether direct or indirect, subordinate or otherwise; or

(B) The right to recover costs associated with taxes, franchise fees, or license fees imposed on the

collection of ~~wildfire protection fee~~wildfire protection charge;

(3) Any recourse that ~~the~~an assignee may have against the seller;

(4) Any indemnification rights, obligations, or repurchase rights made or provided by the seller;

(5) The obligation of the seller to collect ~~wildfire protection fee~~wildfire protection charges on behalf of an assignee;

(6) The treatment of the sale, assignment, or transfer for tax, financial reporting, or other purpose; or

(7) Any true-up adjustment of the ~~wildfire protection fee~~wildfire protection charge as provided in the financing order.

(c) A transfer of wildfire protection property shall be deemed perfected against third persons when both of the following occur:

(1) The commission issues the financing order authorizing the ~~wildfire protection fee~~wildfire protection charge included in the wildfire protection property; and

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

(d) As between bona fide assignees of the same right for value without notice, the assignee first filing a financing statement with the Bureau of Conveyances of the State of Hawaii in accordance with chapter 490, article 9, part 5, naming the assignor of the wildfire protection property as debtor and identifying the wildfire protection property shall have priority. Any description of the wildfire protection property shall be sufficient if it refers to the financing order creating the wildfire protection property. A copy of the financing statement shall be filed by the assignee with the

commission, and the commission may require the assignor or the assignee to make other filings with respect to the transfer in accordance with procedures the commission may establish, but these filings shall not affect the perfection of the transfer.

§269-F Successor requirements; default. (a) Any successor to an electric utility ~~that has received~~ subject to a financing order, whether pursuant to any bankruptcy, reorganization, or other insolvency proceeding, or pursuant to any merger, sale, or transfer, by operation of law, or otherwise, shall be bound by the requirements of this part. The successor of the electric utility shall perform and satisfy all obligations of the electric utility under the financing order, in the same manner and to the same extent as the electric utility, including the obligation to collect and pay the ~~wildfire protection fee~~ wildfire protection charge to any financing party as required by a financing order or any assignee. Any successor to the electric utility shall be entitled to receive any fixed recovery tax amounts otherwise payable to the electric utility company.

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

notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to the electric utility.

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

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

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

SECTION 3. Chapter 269-17, Hawaii Revised Statutes, is amended to read as follows:

"§269-17 Issuance of securities. A public utility corporation or a financing entity may, on securing the prior approval of the public utilities commission, and not otherwise, except as provided in section 269-B, issue stocks and stock certificates, bonds, notes, and other evidences of indebtedness, payable at periods of more than twelve months after the date thereof, for the following purposes and no other, namely: for the acquisition of property or for the construction, completion, extension, or improvement of or addition to its facilities or service, or for the discharge or lawful refunding of its obligations or for the reimbursement of moneys actually expended from income or from any other moneys in its treasury not secured by or obtained from the issue of its stocks or stock certificates, or bonds, notes, or other evidences of indebtedness, for any of the aforesaid purposes except maintenance of service, replacements, and substitutions not constituting capital expenditure in cases where the

corporation has kept its accounts for such expenditures in such manner as to enable the commission to ascertain the amount of moneys so expended and the purposes for which the expenditures were made, and the sources of the funds in its treasury applied to the expenditures. As used [~~herein~~] in this section, "property" and "facilities"[~~7~~] mean property and facilities used in all operations of a public utility corporation whether or not included in its public utility operations or rate base. A public utility corporation may not issue securities to acquire property or to construct, complete, extend or improve or add to its facilities or service if the commission determines that the proposed purpose will have a material adverse effect on its public utility operations.

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

SECTION 4. Notwithstanding the provisions of section 39A-191, Hawaii Revised Statutes, and the provisions of Act 182, Session Laws of Hawaii 2022, as amended by Act 262, Session Laws of Hawaii 2023, the legislature authorizes the issuance of special purpose revenue bonds for wildfire protection costs that require an allocation of the annual state ceiling under section 39B-2, Hawaii Revised Statutes, for the period July 1, 2024, through December 31, 2028, and further authorizes project agreements with an affiliate of ~~a public utility~~an electric utility company or a special purpose vehicle in connection with the issuance of special purpose revenue bonds for wildfire protection costs.

SECTION 5. The legislature authorizes the allocation of the annual state ceiling under section 39B-2, Hawaii Revised Statutes, to the issuance of bonds issued pursuant to section 2 of this Act that require such allocation in order for interest on the bonds to be tax-exempt for federal income tax purposes.

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. In codifying the new part added to chapter 269, Hawaii Revised Statutes, by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating and referring to the new sections in this Act.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on July 1, 3000.

Report Title:

Wildfires; Public Utilities Commission; Electric Utilities; Securitization

Description:

Allows the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county. Effective 7/1/3000. (HD1)

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

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII ASSOCIATION FOR
JUSTICE (HAJ) IN OPPOSITION OF
SB 2922 SD2 HD1**

LATE

Date: Monday, March 18, 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 **OPPOSITION** to SB 2922 SD2 HD1 - RELATING TO PUBLIC UTILITIES. The measure seeks to implement the Catastrophic Wildfire Securitization Act (the "Securitization Act"), to allow public utilities to securitize rates in order to raise capital that can be used to pay for costs and expenses arising out of catastrophic wildfires.

SB 2922 was amended to reflect HB 2407 to allow the electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission (PUC) for approval and allow the recovery of related *costs and expenses through securitization*, while avoiding a disproportionate impact on a specific ratepayer or county

Primarily, HAJ is concerned with the implications that the Securitization Act may have on victims and survivors of 2023 Maui Wildfire (the "Wildfire"). The victims and survivors of the Wildfire who lost loved ones, homes, businesses and jobs should be the main priority when considering the future proceeds for the entities that were responsible for the damage and destruction that devastated the community of Lahaina. Allowing the public utilities to securitize rates to raise capital that can be used to pay for *costs and expenses* arising out of catastrophic wildfires is overly broad and will diminish the utility's ability to remedy the damage and destruction that was caused during the Wildfire.

HAJ is concerned that the current draft completely omits recovery costs for legitimate claims and settlements from the Wildfire and would revictimize the victims of the Wildfire by

undercutting their ability seeking recourse for the negligence that led to the recent destruction of so many lives and livelihoods on Maui. Permitting the proceeds from the Securitization Act to be utilized for legal expenses and other costs prior to the payment of litigation awards or settlement to victims is unconscionable and removes any sense of accountability for those found liable for the Wildfire.

Furthermore, we are concerned with the use of "service territory" in Section 269-B(e). This may unfairly limit the recovery of these costs to Maui ratepayers which have already experienced enough from the Wildfire. Limiting the fixed recovery charges and any associated fixed recovery tax amounts to the future ratepayers in the "utility service area" will directly place the burden of the costs on Maui residents and victims. This would be tremendously unreasonable to place on a community that is still recovering.

Ultimately, we fail to see why those who have caused so much damage and destruction should be rewarded for their callousness by granting the ability to use borrowed funds for the payment of other costs and expenses, including legal fees, prior to making the victims who lost everything whole in the Wildfire. Holding those accountable and responsible for the negligence that changed the lives of many Maui residents forever should be of the utmost importance. Permitting the use of the proceeds to be utilized for any other expenses prior to the payment of legitimate awards or settlements would be an affront to the victims of the Wildfire.

Accordingly, HAJ recommends this measure be amended to: 1) designate the payment of litigation claims and settlements as a "high priority" for the proceeds of the Securitization Act in addition to costs and expenses; and 2) prevent the charges from being solely imposed on existing and future ratepayers of a particular utility service territory.

We look forward to working with all stakeholders on language for the measure which is

suitable and protects the victims of the Wildfires. Thank you very much for allowing me to testify in **OPPOSITION** of the current draft of SB2922. Please feel free to contact me should you have any questions or desire additional information.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON WATER & LAND and
ENERGY & ENVIRONMENTAL PROTECTION
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Thursday, March 14, 2024 AT 8:32 A.M.**

To The Honorable Linda Ichiyama, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the Committee on Water & Land
To The Honorable Nicole E. Lowen, Chair
The Honorable Elle Cochran, Vice Chair
Members of the Committee on Energy & Environmental Protection

COMMENTS ON SB2922 SD2 RELATING TO PUBLIC UTILITIES

The Maui Chamber of Commerce would like to **COMMENT on SB2922 SD2.**

The Chamber agrees that it is important for electric utilities to be able to fund their recovery costs after a catastrophic wildfire such as the August 8 wildfires on Maui. However, we note that there is not any financial analysis that determined that this is the most cost-effective way to fund the utility's costs and expenses arising out of catastrophic wildfires. We are concerned about the potential cost to consumers during this challenging time and when all costs are already increasing. Each of these incremental costs are what creates the widening gap between minimum wage and a true living wage.

We urge the legislature to have a serious analysis done by experts in the field of public utilities. The analysis should include all methods of possible funding for the utility's recovery efforts.

The Chamber notes that there are several proposals regarding funding for wildfire recovery. We feel it would be prudent to consolidate, whenever possible, these proposals into one comprehensive proposal.

Mahalo for the opportunity to **COMMENT on SB2922 SD2.**

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.

LATE

SB-2922-HD-1

Submitted on: 3/18/2024 1:55:41 PM

Testimony for CPC on 3/18/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	Written Testimony Only

Comments:

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF’s mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to provide testimony in **strong support of SB 2922, SD2, HD1**, also known as the Catastrophic Wildfire Securitization Act, which would creates a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission (PUC) for approval and allow the recovery of related costs and expenses through securitization, while avoiding a disproportionate impact on a specific ratepayer or county. Effective 7/1/3000. (HD1).

LURF respectfully **requests an amendment** that would also provide for a PUC financing order that would allow the electric utility to recover costs that are just and reasonable; consistent with the public interest; are reasonably expected to result in the lowest fixed recovery charges consistent with market conditions at the time and terms of the PUC financing order.

LURF’s Position. LURF members include large landowners, whose operations include agricultural, residential, commercial, industrial, renewable energy, and resort uses. Wildfires have had and will continue to have devastating effects on the people and property that LURF members deeply care about. LURF members strongly support the creation and implementation of effective risk-based wildfire protection plans and a securitization plan approved by the PUC, after input by the State, counties, landowners, and the public.

For the reasons set forth above, LURF is in **strong support of SB 2922, SD2, HD1**, and respectfully requests this Committee’s **favorable consideration of the proposed amendment** to this measure.

Thank you for the opportunity to present testimony regarding this matter.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

**SB2997 SD2,HD1
Relating to Public Utilities**

Monday, March 18, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by **your name**

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is **your name** and I am testifying in support of SB2997 SD2 HD1, Relating to Public Utilities.

SB2997 SD2 HD1 proposes utility standards for wildfire mitigation plans. This bill will establish a regular review of the wildfire risk mitigation plans by the Public Utilities Commission. This bill will also improve access to capital at a more competitive rate and allow utilities to make investments to continue its investments in a safe, reliable and affordable grid. Due to unprecedented weather events, we need to prepare now for any future events that could devastate our state's island chain, whether by wildfire or other natural disaster.

Please pass SB2997 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Lorrie Iwanaga

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Lorrie Iwanaga and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Enrique Che

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Enrique Che and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Lynne Unemori and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance grid wildfire and other safety, resilience and reliability projects at a lower cost. This is especially important when traditional financing might be unavailable or very costly, which ultimately impacts the customer.

Securitization has been adopted by other states and has proven to be a strong option as a financing tool for utilities that have experienced major weather events.

Please pass SB2922 SD2 HD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Earlynne F Maile

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Earlynne F. Maile and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Sharon Suzuki

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Sharon Suzuki and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Silas Oliveira de Toledo

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Silas Oliveira de Toledo and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Jamie Lee

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Jamie Lee and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Phillip Gerwien

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Phillip Gerwien and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Peter Okunami

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Peter Okunami and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility which ultimately benefits the customers. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Carrie Iwamoto

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Carrie Iwamoto and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Philip Mow

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Philip Mow and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

SB-2922-HD-1

Submitted on: 3/16/2024 6:03:44 PM

Testimony for CPC on 3/18/2024 2:00:00 PM

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

Comments:

I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Gayle Ohashi

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Gayle Ohashi and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Jimmy Yim

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Jimmy Yim and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Susan Arinaga Li

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Susan Arinaga Li and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, particularly when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience, and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option, utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1. Thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Alan Higa

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Alan Higa and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Michele Higa

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Michele Higa and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Robert Young

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Robert Young and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Kerry Kanakaole

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Kerry Kanakaole and I am testifying in support of SB2922 SD2HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Lyanne Hiromoto

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Lyanne Hiromoto, and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Gary Hanaoka

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Gary Hanaoka and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

SB-2922-HD-1

Submitted on: 3/17/2024 12:58:45 AM

Testimony for CPC on 3/18/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Juliane Inouye	Individual	Support	Written Testimony Only

Comments:

Support

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Keith Kobuke

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Keith Kobuke and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Alden Ishii

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Alden Ishii and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

SB-2922-HD-1

Submitted on: 3/17/2024 7:17:50 AM

Testimony for CPC on 3/18/2024 2:00:00 PM

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

Comments:

TESTIMONY BEFORE THE HOUSE COMMITTEES ON

CONSUMER PROTECTION & COMMERCE

AND

JUDICIARY & HAWAIIAN AFFAIRS

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Jacklyn D. Spencer

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Jacklyn D. Spencer and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Lorie Nagata

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Lorie Nagata and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Mark Suehiro

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Mark Suehiro and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024
2:00 PM
State Capitol, Conference Room 329

Submitted by Lyle J. Matsunaga

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Lyle Matsunaga and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Michelle Chang

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Michelle Chang and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Ken Aramaki

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Ken Aramaki and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Teri Theuriet

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Teri Theuriet and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Karen Hirota

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Karen Hirota and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Richard T. Eber

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Richard Eber and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Lori Yafuso

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Lori Yafuso and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Patrick Sullivan

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Patrick Sullivan and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Everett A. Lacro

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Everett Lacro and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

SB-2922-HD-1

Submitted on: 3/17/2024 1:20:53 PM

Testimony for CPC on 3/18/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Queenie M. Chee	Individual	Support	Written Testimony Only

Comments:

I support this bill.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Timothy Lee

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Timothy Lee and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by **Ruth Ko**

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is **Ruth Ko** and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Chris P. Schlueter

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Chris Schlueter and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Karen Kuis-Zelko

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Karen Kuis-Zelko and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Michael T Iwahashi

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Michael T Iwahashi and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

LATE

**TESTIMONY BEFORE THE HOUSE COMMITTEES ON
CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by Patsy Nanbu

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is Patsy Nanbu and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

SB-2922-HD-1

Submitted on: 3/18/2024 6:57:12 AM

Testimony for CPC on 3/18/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Vela	Individual	Support	Written Testimony Only

Comments:

TESTIMONY BEFORE THE HOUSE COMMITTEES ON

Consumer protection & commerce

and

judiciary & hawaiian affairs

LATE

SB2922 SD2 HD1

Relating to Public Utilities

Monday, March 18, 2024

2:00 PM

State Capitol, Conference Room 329

Submitted by David Vela

Dear Chair Nakashima, Chair Tarnas, Vice Chair Sayama, Vice Chair Takayama, and Members of the Committees,

My name is David Vela and I am testifying in support of SB2922 SD2 HD1, Relating to Public Utilities. This bill would provide utilities with another option to finance their projects at a lower cost, in particular, when current traditional financing might be unavailable or very costly, which ultimately impacts the customer.

SB2922 SD2 HD1 will provide lower cost financing options for a utility. It will also increase access to cost-effective financing for grid safety, resilience and reliability for affected utilities. Securitization has been adopted by other states and has proven to be an optimal option for utilities that have experienced major weather events to use it as a financing tool. By creating this financing option – utilities can use this mechanism to finance important wildfire, resilience and sustainability investments.

Please pass SB2922 SD2 HD1 and thank you for the opportunity to share my support.

LATE

SB-2922-HD-1

Submitted on: 3/18/2024 10:22:44 AM

Testimony for CPC on 3/18/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephenie Blakemore	Individual	Oppose	Written Testimony Only

Comments:

Absolutely not!

HEC should pay for its negligence and stop asking us to do more, pay more. Enough is Enough. Rebuild with underground utilities, and make sure we do not pay for that either.