

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

House Committee on Finance

Thursday, February 20, 2025

12:00 p.m.

State Capitol, Conference Room 308 and Videoconference

With Comments

House Bill No. 982, HD1, Relating to Wildfires

Chair Yamashita, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Office of the Governor provides the following comments for H.B. No. 982, HD2, Relating to Wildfires. This bill establishes the Wildfire Recovery Fund and allows securitization for electric utilities.

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

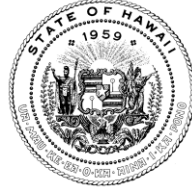
The Office of the Governor appreciates that this proposal tries to address how our state and utilities address the financial impacts of catastrophic wildfires, including how we stabilize our electric utility and our energy future. However, the Governor is keenly aware of our state's high electrical rates and the impact that it has on all our residents. We recognize and appreciate that the current version of this bill provides a contribution share between the ratepayers and the utility, which is intended to decrease the impact on the ratepayers of our state. We are mindful, however, of the constraints the utility may face in reaching these funding goals.

The Office of the Governor recognizes the importance of establishing the Wildfire Recovery Fund but is concerned about placing it within a state agency. We believe that the fund should remain independent and free from constraints that could complicate its administration. Separating it from state agencies would help prevent the risk of financial entanglements, ensuring that all resources are directed exclusively toward wildfire recovery efforts. The Office believes that maintaining this autonomy is vital to ensuring the fund remains focused on its intended purpose.

Testimony of the Office of the Governor
H.B. No. 982, HD2
February 20, 2025
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While the Office of the Governor has concerns regarding the mechanics of this legislation, we do not oppose this bill moving forward so that discussions may continue with the electric utility and other key affected stakeholders.

Mahalo for the opportunity to provide testimony on this measure.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Thursday, February 20, 2025
12:00 p.m.
Conference Room 308**

**On the following measure:
H.B. 982, H.D. 2, RELATING TO WILDFIRES**

Chair Yamashita and Members of the Committee:

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 establish the Wildfire Recovery Fund and allow securitization for electric utilities.

The Department hopes that Hawaii will never again suffer the incredible loss and destruction of a major wildfire. The Department also understands the societal benefit of having the ability to provide efficient compensation for property damaged or lost if there is any future wildfire. However, the Department believes that utility customers must not be the primary or sole contributor to such a fund and that it is appropriate to ensure that customers' contribution to such a fund be significantly limited. Put simply, customers did not start the fire that degraded Hawaiian Electric's credit rating and customers are not

responsible for on-going risk. Additionally, customers will likely be asked to bear many of the infrastructure investment costs to reduce wildfire risk going forward.

This legislation, on the other hand, as originally drafted, would place the financial burden and risk of funding the proposed one billion dollars almost entirely on Hawaiian Electric's customers without any guarantee of a benefit in return. Such an allocation also does not acknowledge that there is a benefit to shareholders from establishing this fund in that it reduces the risk that a future catastrophic wildfire would result in Hawaiian Electric (or another utility) facing bankruptcy concerns leading to another substantial reduction in shareholder value such as what occurred after the Maui wildfire.

Hawaiian Electric provided comments from Moody's credit rating agency representing that to protect utility credit quality and retain investor confidence, a policy framework is needed that includes:

- limits on liability,
- a sufficiently large wildfire fund to cover the costs of a catastrophic event,
- and transparent guidelines or certification requirements for fire mitigation.

While a fund of this types appears to be a "needed" component of a framework to restore Hawaiian Electric's credit rating, the likelihood that the fund will deliver a benefit to customers is largely uncertain and so is the amount of the benefit. The Department notes that there is no certainty that the fund would:

- improve the utility's credit rating,
- by how much the credit rating might improve, and
- no known timeline for any improvement.

Given these significant concerns the Department appreciates the amendments provided within House Draft 1 and House Draft 2 to House Bill 982.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

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IN REPLY PLEASE REFER TO:

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Statement of
Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 20, 2025
12:00 p.m. – Room 308, Hawaii State Capitol

In consideration of
HB 982, HD2
RELATING TO WILDFIRES

Honorable Chair Yamashita, Vice Chair Takenouchi, and Members of the House Committee on Finance, the Hawaii Public Housing Authority (HPHA) appreciates the opportunity to submit testimony with comments for House Bill (HB) 982, HD2, which seeks to establish the Wildfire Recovery Fund. Allows securitization for electric utilities.

The HPHA recognizes the importance of establishing the Wildfire Recovery Fund after the state went through the catastrophic wildfire disaster that resulted in the unbearable loss of lives and homes in Lahaina.

Our major concerns for the bill are as follows:

1. Reduces Available Tax-Exempt Bond Capacity for Affordable Housing
 - Hawaii's tax-exempt Private Activity Bond (PAB) ceiling is limited, and housing projects such as HPHA's Ka Lei Momi development depend on these bonds to qualify for 4% Low-Income Housing Tax Credits (LIHTC)—a key funding mechanism for building much-needed affordable housing units.
 - This bill mandates that the entire amount of the state's allocation of its volume cap be used for the securitization of bonds for the period July 1, 2024, through December 31, 2028.



2. Jeopardizes HPHA's Ability to Develop Ka Lei Momi and Other Affordable Housing
 - Ka Lei Momi is a transformative project that will provide desperately needed affordable rental housing in Hawaii, directly addressing the state's housing crisis.
 - If PAB allocations are reduced due to this bill, the project may not qualify for the necessary tax credits, severely impacting our ability to move forward with construction. This could delay affordable housing for hundreds of families who desperately need it.

3. No Safeguards for Affordable Housing Projects
 - The bill does not reserve a portion of the bond ceiling for housing, leaving critical affordable housing developments at risk of losing funding.
 - Without clear prioritization for housing, this bill undermines the state's commitment to tackling the severe affordable housing shortage and contradicts legislative efforts to increase affordable housing production.

Mahalo for your time, consideration, and unwavering commitment to ensuring safe, stable, and affordable housing for all of Hawaii's residents.

We deeply appreciate your continued support and the opportunity to provide testimony today.



Hawai'i Climate Advisory Team

To: Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair
House Committee on Finance

From: The Climate Advisory Team

RE: **HB982, HD2 - Relating to Wildfires - Support with Comments**
Thursday, February 20, 12:00 p.m.; Conference Room 308 & Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committees,

Mahalo for the opportunity to testify in **support of the intent of HB 982, HD2**, which seeks to establish a Wildfire Recovery Fund to provide an efficient compensation mechanism for individuals and businesses impacted by catastrophic wildfires caused by regulated utilities. This bill represents a critical step toward addressing the growing wildfire threat in Hawai'i while ensuring resilience funding is available to those who need it most.

The Hawai'i Climate Advisory Team (CAT) is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a [policy paper](#) in January 2025, which provides context for the measures we are supporting in this legislative session.

The tragic August 2023 Lahaina wildfires demonstrated the devastating impact wildfires can have on our communities, natural resources, and economy. As climate change increases the frequency and intensity of extreme weather events, we must proactively implement policies that mitigate wildfire risks and ensure timely financial recovery for affected individuals.

The CAT supports the intent of HB 982, HD2 in the following ways it aligns with our recommendations, and offers comments below on topics for further consideration.

The Wildfire Recovery Fund Proposal Largely Aligns with the Recommendations of the CAT:

1. **Ensuring Rapid Recovery for Impacted Residents**
 - a. HB 982, HD2 establishes a structured compensation mechanism, allowing impacted individuals and businesses to receive financial relief without the lengthy and costly burden of civil litigation.



Hawai'i Climate Advisory Team

- b. The bill aligns with the Climate Advisory Team's recommendation for a disaster recovery fund that prioritizes financial assistance for vulnerable residents recovering from disasters.
2. **Strengthening Hawai'i's Resilience Through Sustainable Funding**
 - a. A well-designed recovery fund ensures that those affected by wildfires receive timely compensation while maintaining the financial stability of public utilities responsible for providing essential services.
 - b. The Climate Advisory Team supports the creation of a climate resilience fund to support proactive resilience measures, including wildfire mitigation strategies such as invasive species management, fuel reduction, and community education.
3. **Wildfire Mitigation Must Be Prioritized**
 - a. Preventive action, such as the removal of invasive grasses, improved land management, and enhanced fire suppression capacity, is critical to reducing wildfire risk.
 - b. Requiring a well-funded wildfire mitigation plan will reduce the severity of future fires and ensure that the Wildfire Recovery Fund remains sustainable.

Further Considerations on the Wildfire Recovery Fund and Securitization:

While we support the establishment of a Wildfire Recovery Fund, further discussion is needed regarding the proposed funding mechanism and participation in the fund. As stated in our [Policy Recommendations on Climate Disaster Resilience, Recovery and Funding](#), the Climate Advisory Team believes that wildfire resilience and recovery is a shared responsibility among all major stakeholders, including utilities, landowners, and government agencies, and that a careful balance must be struck between utility shareholder and ratepayer interests.

- **Broader Participation:** The legislature should consider participation in the fund by large landowners, state and county governments, and other responsible entities to equitably distribute costs and ensure long-term financial stability. If such broader participation is not feasible in the near term, the fund should allow for expansion in the future.
- **Equitable Burden Sharing:** The CAT recognizes that the fund will have direct and indirect benefits to both shareholders and ratepayers. Further discussion is warranted regarding the balance between shareholders and ratepayers for initial contributions to align incentives and ensure fair cost distribution.



Hawai'i Climate Advisory Team

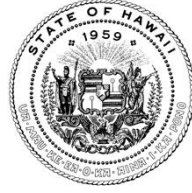
- **Securitization Considerations:** We recognize the complex relationship between a utility's financial health (and therefore access to lower-cost capital) and the cost burden on ratepayers who end up paying for interest on utility debt. A wildfire recovery fund will limit financial uncertainty and potential liability exposure, helping to stabilize utilities' financial positions and enabling them to attract needed investment for infrastructure and mitigation work at a reduced cost of capital. Securitization is a powerful tool in capitalizing the wildfire recovery fund, but we urge the Legislature to carefully evaluate its impact on ratepayers and ensure it does not reduce the incentive to implement critical resilience initiatives.

The proposed HB 982, HD2 is an important step forward in safeguarding Hawai'i's communities from the devastating impacts of wildfires. By creating a dedicated Wildfire Recovery Fund and ensuring a sustainable funding structure, this bill can help protect our residents, businesses, and environment while seeking to reduce the overall cost burden on ratepayers. We urge the committee to advance HB 982, HD2 while continuing discussions to refine the funding model to maximize effectiveness and fairness.

Mahalo for the opportunity to testify in support of the intent of this important legislation.

With aloha,

The Climate Advisory Team



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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee Finance**

**Thursday, February 20, 2025
12:00 p.m.**

**On the following measure:
H.B. 982, H.D.2, RELATING TO WILDFIRES**

Chair Yamashita and Members of the committee:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs ("Department" or "DCCA"). The Department offers comments for this bill.

The purposes of this bill are to (1) establish the Wildfire Recovery Fund, and (2) allow securitization for electric utilities.

The Department recognizes the urgent need to address the financial impacts of catastrophic wildfires and views this bill as a critical step in achieving that goal. We appreciate the bill's emphasis on creating an efficient administrative claims process, modeled after the One Ohana Fund, to ensure timely compensation for those affected. The provision preserving claimants' rights to pursue litigation if they reject a fund settlement is an important safeguard, and the bill's limitations on total payouts for property damage provide a thoughtful balance between supporting those impacted and maintaining the financial stability of public utilities.

While the Department supports the creation of the Wildfire Recovery Fund, the Department does not believe that the Wildfire Recovery Fund should be housed in DCCA or any other state agency. Keeping this fund separate from state agencies will further ensure its operational independence, which is crucial for effective governance and decision making. Maintaining the fund outside of state agencies will help ensure that its resources are used solely for their intended purpose of wildfire recovery and not commingled with other state funds.

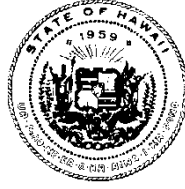
The Department appreciates that the current version of the bill provides a contribution share between the ratepayers and the utility, which is intended to decrease the impact on ratepayers. Although the contribution share impacting ratepayers is less than originally provided for in the bill, it is still sizeable and the utility should be required to timely refund interest on the funding amount back to ratepayers (e.g., on an annual basis) and/or using the interest to fund hazard mitigation investments.

The Department believes the proposed Wildfire Recovery Fund will serve the public interest by creating a mechanism for efficient compensation for property damage caused by future catastrophic wildfires while also safeguarding the financial integrity of Hawaii's regulated utilities.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

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Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 20, 2025 at 12:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 982 HD2
RELATING TO WILDFIRES.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

HHFDC has comments on HB 982 HD2, which establishes the Wildfire Recovery Fund and allows securitization for electric utilities.

The use of special purpose revenue bonds (SPRBs) will directly impact HHFDC's ability to finance affordable housing projects.

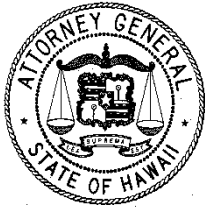
Most rental housing projects in the state are financed by 4% credits under HHFDC's Low-Income Housing Tax Credit (LIHTC) Program which, pursuant to the Internal Revenue Code, must be used in conjunction with qualified tax-exempt private activity bonds (PABs). The amount of PABs that a state may authorize each year is limited by the bond cap (or ceiling) set by the federal government and was approximately \$378 million for the State of Hawaii for 2024. Accordingly, when PABs are allocated to other uses (such as SPRBs), the state loses out on the valuable 4% LIHTC used to build and preserve affordable rental housing.

The bond cap is the primary constraint to HHFDC's ability to make financing awards in recent years. This year, we received requests for over \$1.7 billion in PABs. Should the state's PABs be used for SPRBs, this will severely impact the production of affordable housing statewide.

It is also important to note that diverting bond cap away from housing will have macroeconomic implications. PABs used for housing leverage a large federal subsidy—namely, the 4% LIHTC. We estimate that, for every PAB dollar used for non-housing purposes, a potential subsidy of 65% to 70% of that dollar amount is lost in the form of lost federal LIHTC.

Lastly, this bill conflicts with Section 4 of Act 262, Session Laws of Hawaii 2023, which states in part, “[N]o special purpose revenue bonds requiring an allocation of annual state ceiling under section 39B-2, Hawaii Revised Statutes, shall be authorized after June 30, 2023 and before December 31, 2028.”

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-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 982, H.D. 2, RELATING TO WILDFIRES.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, February 20, 2025 **TIME:** 12:00 p.m.

LOCATION: State Capitol, Room 308

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

Chair Yamashita and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

This bill attempts to address the risk of catastrophic wildfires by providing an efficient, low-cost process for property owners, renters, businesses, and their insurers to obtain compensation for the damage resulting from a catastrophic wildfire that a regulated utility is alleged to have caused or contributed to, while limiting the liability of the regulated utility to protect its financial health. This bill establishes the Wildfire Recovery Fund (Fund) and establishes the statutory framework to implement the Fund. In addition, this bill allows for the financing of the Fund through the securitization of ratepayer charges.

We note that the bill proposes several features that could adversely impact the State and its residents. The following list highlights those features that we believe are material for the Legislature to consider in its assessment of the bill.

- 1. Section A-2 - Wildfire Recovery Fund, page 7, line 7, through page 9, line 11.**

We believe that the Fund is a trust fund as defined in section 37-62, Hawaii Revised Statutes (HRS). The Fund will operate as a separate, State-created entity with a fiduciary duty to manage its resources for the benefit of its intended purpose, the protection from catastrophic wildfires. Moneys in the Fund are derived from the

ratepayer charges, regulated utilities contributions, and investment income, and we believe that such moneys are held in trust for the exclusive use of covering catastrophic wildfire related losses and administrative costs. This structure mirrors the characteristics of a trust fund. The bill should state the pertinent legislative findings to document that the Fund is a trust fund.

The bill refers to the Fund as a "public body corporate and politic" (page 8, lines 3-4); however, this characterization is inaccurate since the Fund is not a legal corporate entity. One way to resolve this would be for the bill to establish the Wildfire Recovery Fund Corporation (Corporation), define its statutory framework, and place it within the Department of Commerce and Consumer Affairs for administrative purposes only. The Fund could then be placed within the Corporation. This would address concerns raised by the Office of the Governor and the Department of Commerce and Consumer Affairs that the Fund's moneys not be commingled with other State funds and that they be used solely for their intended purpose.

2. Section A-3 - Financial Contributions Required from the Investor-Owned Utilities to Capitalize the Fund, page 9, line 12, through page 12, line 17.

Subsection (b)(1) - Contributions from investor-owned electric utilities:

- Amount: \$500,000,000 plus interest (if applicable)
- Funding mechanism: The \$500,000,000 is to be recovered from the investor-owned utilities' customers through nonbypassable rates that can be securitized. The Public Utilities Commission (PUC) must approve the nonbypassable rate charges. These nonbypassable rates mean that the customers must pay this charge.

Subsection (b)(2) - Shareholders of the investor-owned utilities:

- Amount: \$505,000,000
- Funding mechanism: This contribution comes from the shareholders of the investor-owned utilities, not from the ratepayers.
- Purpose: The shareholders of the investor-owned utility will contribute \$505,000,000, of which \$5,000,000 shall be used to pay the salaries of the Executive Director of the Fund and other personnel needed

to implement this chapter. If any portion of the \$5,000,000 remains unspent by 2035, it must be transferred to the Fund.

Subsection (c) - Funding by the Investor-Owned Utilities:

The investor-owned utilities may elect to capitalize the Fund over a period not to exceed five years unless paid through securitization. Any amount deferred after the first year shall accrue interest at the utility's cost of borrowing for long-term debt. The utilities are allowed to recover the principal and accrued interest from customers through rates approved by the PUC.

Under the financing mechanisms to capitalize the Fund, the \$500,000,000 financial burden falls on customers either through nonbypassable rates or rates charged for their electricity usage while the \$505,000,000 is funded by the shareholders of the investor-owned utilities.

3. Section A-6 - Claims for Payment by Qualified Claimants, page 15, line 6, through page 17, line 7.

Subsection (a) - Process for Claims:

Subsection (a) provides that the Executive Director of the Fund must establish a process through rulemaking under chapter 91, HRS, for non-governmental claimants to submit claims to the Fund.

The bill expressly provides that only non-governmental claimants may make a claim ("a qualified claimant that is not governmental entity," page 15, line 9). This would preclude the State from making a claim for damages to State-owned property, including, for example, housing projects.

The claims must concern economic damages related to property damage from a covered catastrophic wildfire.

The administrative rules will include a submission deadline for the claims.

Subsection (b) - Claimants Eligibility and Restrictions

- Filing requirement:
 - Qualified claimant must file a claim for uninsured economic damages related to property damage.
 - Claims by non-property insurers are limited to uninsured losses, that is, damages not covered by insurance.

- Bar on civil actions:
 - Qualified claimant cannot file or pursue a civil lawsuit against a participating utility that contributes to the Fund unless:
 - The claimant first files a claim with the Fund, and
 - The claimant rejects the settlement offer made by the Fund.
- Deadline consequences:

According to the bill, claimants have no less than four years from the covered catastrophic wildfire to file a claim, and the Executive Director may establish a deadline beyond the four-year period for filing a claim (page 15, line 21, to page 16, line 9). We suggest the following amendment to this provision to avoid any confusion regarding the statute of limitations concerning the filing of claims: "[A] Notwithstanding any law to the contrary, a qualified claimant who fails to file" See page 15, line 21.

Subsection (c) - Settlement Offers

The Executive Director of the Fund must review submitted claims and make settlement offers to the claimants.

Claimants may accept or reject the offer.

In determining the amount of the settlement offer, the Executive Director must consider:

1. The total damages sought by all claimants.
2. The total amount available in the Fund versus the total claims.
3. The strength of evidence regarding the utility's liability.
4. The strength of evidence regarding the involvement of non-contributor third parties.

Subsection (d) - Insufficiency of Moneys in the Fund

If the Fund's available moneys are less than fifty percent of the aggregate liability limit as defined in the bill, the Fund will only make payments to participating utilities, not to claimants. This means that, to the extent that the Fund lacks sufficient moneys to cover all claims, a claimant would have no further recourse against the participating

utility. Consequently, Fund payments depend on the availability of moneys that may affect the Fund's ability to compensate claimants if moneys in the Fund are limited.

This bill appears to prioritize the needs of participating utilities over claimants when the Fund lacks sufficient funds.

4. Section A-8 - Limitation on Aggregate Liability, page 17, line 20, through page 19, line 12.

The aggregate liability for all participating utilities for qualifying damages arising from a covered catastrophic wildfire is subject to a specified liability cap. Even if the claimant rejects an offer to settle and brings a claim in court, the liability cap will apply to the civil action. Amounts are payable whether or not be participating utilities' actions contributed to the property damage; however, no further amount would be payable if it is determined that the participating utility acted prudently.

5. Section B-2 - Application to Issue Bonds and Authorize Wildfire Recovery Charges, page 30, line 10, through page 36, line 21.

The utilities can recover wildfire-related costs through securitization by issuing bonds backed by a nonbypassable charge on customers' bills.

The bill gives the State very little discretion as to who issues the bonds in the case of a securitization in that the State would have to follow the provisions of the PUC's financing order. The utility applies for a financing order, which application names the entity that it proposes to issue bonds, and the PUC can only accept or deny such applications based on certain prescribed criteria.

6. Section B-5 - Wildfire Recovery Charge, page 47, line 1, through page 48, line 5.

The wildfire recovery charge is a mandatory, nonbypassable fee to repay the bonds and related financing costs authorized under a financing order. It is reflected as a separate line item on a customer's bill.

As long as the bonds remain unpaid, the charge must be paid by all existing and future consumers within the utility's service area.

7. Section 4, page 58, line 20, to page 59, line 14, and Section 5 – Allocation of Private Activity Bonds Volume Cap, page 59, lines 15-19.

Sections 4 and 5 of the bill relate to the issuance of special purpose revenue bonds (SPRBs) that requires an allocation of the annual state ceiling of private activity bonds volume cap (volume cap) under section 39B-2, HRS. The volume cap refers to the maximum amount of private activity bonds that can be issued in Hawaii on a tax-exempt basis under federal law. Private activity bonds are a type of tax-exempt bonds used to finance projects that involve private entities, such as housing, infrastructure, or industrial development. Tax-exempt bonds generally have lower interest rates, reducing the borrowing costs for eligible projects.

Section 39B-2(b) gives the Director of Finance, with the approval of the Governor, the discretion to assign any part of the State's allocation of the volume cap to any issuer of private activity bonds. Currently, under Act 182, Session Laws of Hawaii (SLH) 2022, as amended by Act 262, SLH 2023, the State's allocation of volume cap is to be used for rental housing projects eligible for the low-income housing tax credits.

Section 5 of the bill removes the Director of Finance's discretion regarding how the State's allocation of its volume cap is to be used. Instead of the volume cap being used for housing purposes, this bill mandates that the entire amount of the State's allocation of its volume cap be used for the securitization bonds for the period July 1, 2024, through December 31, 2028.

We understand that SPRBs will not be utilized for the securitization of the Fund. Consequently, we believe that sections 4 and 5 of the bill should be deleted.

We respectfully ask the Committee to amend this bill to address these concerns or, alternatively, hold the bill.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



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Testimony of the Public Utilities Commission

To the
House Committee on
Finance

February 20, 2025
12:00 p.m.

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Measure: H.B. No. 982, H.D. 2
Title: RELATING TO WILDFIRES.

Position:

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

Comments:

The Commission appreciates the intent of this measure to establish the Wildfire Recovery Fund and to allow for electric utilities to finance their contributions to the Wildfire Recovery Fund through securitization.

The Commission notes that H.B. 982, H.D. 2 splits the initial contributions to the proposed Wildfire Recovery Fund in a nearly even fashion between ratepayers and the shareholders of a participating electric utility, with \$500 million from ratepayers and \$505 million from shareholders. This nearly even level of sharing is comparable to the 50/50 sharing observed in California between ratepayers and shareholders in the aftermath of passage of Assembly Bill 1054 and the establishment of the California Wildfire Fund by the California State Legislature. While the Commission respectfully defers to the Legislature to determine how the initial contributions to the proposed Wildfire Recovery Fund should be allocated amongst ratepayers and shareholders, the Commission urges the Legislature to carefully balance the following considerations in making that determination: (1) the bill impact to ratepayers of any securitized ratepayer contributions; and (2) an electric utility's ability to raise capital independently of any authorized securitization in this bill.

The Commission also urges the Legislature to carefully consider whether establishing the Wildfire Recovery Fund will achieve any of its intended outcomes. In doing so, examining California's experience with the California Wildfire Fund may prove instructive.

For example, if an objective of the Wildfire Recovery Fund is to quickly provide compensation to wildfire victims, the Wildfire Recovery Fund must be adequately funded at the time of distribution, otherwise wildfire victims may not be quickly or adequately compensated in the event of a catastrophic wildfire caused by an electric utility. In California, the California Wildfire Fund reported having approximately \$14.7 billion available as of December 12, 2024,¹ but damage estimates from last month's Los Angeles wildfires are as high as \$164 billion.² While many of the facts regarding the Los Angeles wildfires are still uncertain, including whether the Los Angeles wildfires were caused by electric utility operations or infrastructure and the actual damage amounts, there is reason to be concerned that the initial determination of the appropriate size of the California Wildfire Fund may not have been sufficient. Should the Legislature move ahead with establishing a Wildfire Recovery Fund, the Legislature should do so only after determining the appropriate level of capitalization needed to adequately fund the Wildfire Recovery Fund and then weighing the benefit of having the Wildfire Recovery Fund against the cost to both ratepayers and shareholders of that level of capitalization.

Likewise, if an objective of the Wildfire Recovery Fund is to raise utility's credit rating to an investment grade rating, California's experience with the California Wildfire Fund shows that having such an insurance fund is not an end-all solution. While the establishment of the California Wildfire Fund may be viewed favorably by credit rating agencies, it is not by itself dispositive and PG&E (the electric utility found responsible for causing the 2018 Camp Fire) still has a credit rating that is below investment grade rating, despite the California Wildfire Fund being in existence since 2019.³

Additionally, while the Commission appreciates the work of the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawaiian Affairs in moving this bill forward, the Commission has several concerns regarding its role in the Wildfire Recovery Fund and the securitization of any ratepayer contributions to the Wildfire Recovery Fund.

First, while the Commission notes that preemptively prescribing certain conditions of approval on any order approving any application for a financing order may have the unintended consequence of discouraging or disincentivizing an electric utility from participating in the Wildfire Recovery Fund. Nevertheless, the Commission is encouraged that §B-2(e) provides that the Commission "may" impose these conditions of approval rather than mandate the Commission to impose those conditions of approval, as the

¹ <https://www.cawildfirefund.com/sites/wildfire/files/documents/2024/section-3287-statutory-report-2025.pdf>

² See <https://www.anderson.ucla.edu/about/centers/ucla-anderson-forecast/economic-impact-los-angeles-wildfires>

³ See <https://investor.pgecorp.com/-PGE-Investors-Fixed-Income/Fixed-Income/>

Commission would still retain the ability to determine whether the imposition of those prescribed conditions is just and reasonable and in the public interest.

Finally, although the Commission understands the desire of any bondholders for assurance that any collateral will be unaffected for the duration of the bond, the Commission is concerned that the list of prohibited actions by the Commission and the State listed in §B-3(b) (beginning on page 38, line 3) and nonbypassable nature of any wildfire recovery charges authorized by a financing order may hinder the Commission's ability to oversee the operations of the state's public utilities and the Commission's ability to keep rates just and reasonable as circumstances change.

Thank you for the opportunity to testify on this measure.



**International Union of Painters and Allied Trades
District Council 50**

February 18, 2025

Kyle Yamashita, Chair
House Committee on Finance
415 South Beretania Street, Rm 306
Honolulu, Hawaii 96813

Re: House Bill 982, HD2 (Relating to Wildfires)
Hearing Date: February 20, 2025
Time: 12:00 p.m.

Chair Yamashita and Committee Members:

Thank you for hearing this bill and for this opportunity to testify in **support** of House Bill 982, HD2.

The International Union of Painters and Allied trades, District Council 50, is an organization that consists of five (5) local unions: the Painters, Local 1971; the Glaziers Architectural and Glass Metal Workers, Local 1889; the Carpet Linoleum and Soft Tile, Local 1926; the Drywall, Tapers Finishers, Local 1944; and the Pearl Harbor Metal Trades Specialty Workers, Local 1941 – in all, approximately two thousand (2000) members statewide.

Given the ongoing threat of extreme weather events like wildfires, it is only prudent that we begin taking measures to prevent such events from happening, as well as preparing for the financial consequences of any such event in the future. We believe this measure provides a fair and efficient process for both the prevention of wildfires and expediting recovery from a wildfire for those impacted.

Thank you again for this opportunity to voice our **support** for this measure.

2240 Young Street
Honolulu, HI 96826

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GLAZIERS,

ARCHITECTURAL

METAL AND

GLASSWORKERS

808.946.3329

CARPET, LINOLEUM

AND SOFT TILE

808.942.3988

DRYWALL, TAPERS,

FINISHERS

808.946.6621



**International Association of
Heat & Frost Insulators
& Allied Workers Local 132**

1019 Lauia Street Bay #4
Kapolei, Hawaii 96707
Phone: (808) 521-6405 Fax (808) 523-9861
Email: awl132@insulatorslocal132.org
Website: insulatorslocal132.org

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**SUPPORT OF HB 982, HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by International Association of Heat & Frost Insulators & Allied Workers Local 132

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Local 132, I am submitting written testimony in support of the original version of HB 982 as it relates to the shareholder contribution and encourage further work on certain aspects of the bill. Moving this bill forward will allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982, HD2.

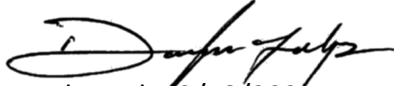
The original version of HB 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico and California are considering similar legislation to address wildfire risk and its impact on electric utilities. Additionally, recent fires in Los Angeles magnifies the importance of such legislation.

This bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with

an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We request your support of HB 982, HD2 and its passage to allow for continued discussion on this very important initiative. Thank you for the opportunity to share support.

Sincerely,



Douglas Fulp 2/18/2025

Business Manager/Financial Secretary



**Testimony to the House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair**

**Thursday, February 20, 2025, at 12:00PM
Conference Room 308 & Videoconference**

RE: HB982 HD2 Relating to Wildfires

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 982 House Draft 2 (HB982 HD2), which establishes the Wildfire Recovery Fund. Allows securitization for electric utilities.

HB982 HD2 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

The original version of HB 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico and California are considering similar legislation to address wildfire risk and its impact on electric utilities. Additionally, recent fires in Los Angeles magnify the importance of such legislation.

This bill is being proposed to ensure the availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030



Chamber *of* Commerce HAWAII



Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 982 House Draft 2. Thank you for the opportunity to testify.

Testimony of
Pacific Resource Partnership

House Committee on Finance
Honorable Chair Kyle Yamashita and Honorable Vice Chair Jenna Takenouchi
Thursday, February 20, 2025

Subject: Comments on HB982, HD2 – Relating to Wildfires

Aloha Chair Yamashita, Vice Chair Takenouchi and Members of the Committee:

On behalf of Pacific Resource Partnership (PRP), which represents 6,000 men and women who work as unionized carpenters and hundreds of general contractors across Hawai'i, we offer the following comments on HB982, HD2 which seeks to establish a wildfire recovery fund to address wildfire-related property damage and support electric utilities in rebuilding infrastructure. While the intent to aid recovery efforts is commendable, this bill presents significant concerns that outweigh its proposed benefits.

Increased Cost of Living and No Commitment to Union Labor

The establishment of a wildfire recovery fund of approximately \$500,000,000 or more is anticipated to be financed primarily through HECO customers via "nonbypassable rates." This additional financial burden would directly impact those who work as union carpenters in Hawai'i, thus exacerbating the already high cost of living. This additional cost threatens the livelihoods of our members, many of whom are already struggling to make ends meet in one of the nation's most expensive states. Meanwhile, it would be quite remarkable to ask members of the carpenters union to help fund a wildfire recovery fund while the utility refuses to use union labor on its construction projects.

Erosion of Middle-Class Financial Gains

In 2024, Hawai'i enacted a historic state income tax cut aimed at providing relief to middle-class families. The legislation raised the standard deduction and adjusted tax brackets, resulting in significant tax savings for many residents. HB982, HD2 threatens to negate these financial gains by imposing new financial obligations on HECO ratepayers, effectively undoing the progress made in alleviating the tax burden on middle-class families.

Lack of Incentive for Hawaiian Electric Company (HECO) to Improve Infrastructure

While HB982, HD2 allocates funds to support electric utilities in rebuilding infrastructure, it does little to encourage Hawaiian Electric Company (HECO) to proactively improve its systems' resilience and reliability. Without clear mandates or incentives for HECO to enhance infrastructure and implement preventive measures, the bill risks perpetuating a cycle of reactive responses rather than fostering proactive solutions to prevent future wildfires.

Conclusion

PRP urges the committee to consider the impact of HB982, HD1 on Hawai'i's working families and the broader community. We recommend exploring alternative solutions that do not impose additional financial burdens on residents and that hold utility companies accountable for infrastructure improvements. It is crucial to develop

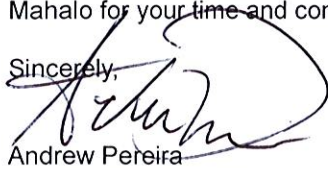


(Continued From Page 1)

strategies that support wildfire recovery and prevention without compromising the economic well-being of Hawai'i's middle class.

Mahalo for your time and consideration.

Sincerely,



Andrew Pereira
Director of Public Affairs
Pacific Resource Partnership





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

February 20, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON HB 982, HD2
RELATING TO WILDFIRES

Conference Room 308 & Videoconference
12:00 PM

Aloha Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

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

The Hawai'i Farm Bureau supports the original version of HB 982, which establishes the Wildfire Recovery Fund and allows securitization for electric utilities.

Hawai'i's agricultural lands, forests, and rural communities are especially vulnerable to wildfires, with farmers and ranchers often suffering significant losses to infrastructure, livestock, crops, and irrigation systems. The impact of wildfires extends beyond direct property damage, disrupting food production, soil stability, and water resources, affecting the state's overall food security and economic stability.

HFB supports the original version of HB 982 and encourages working on the HD2 version. We do believe moving the bill forward would allow continued discussion on the merits of the bill. Therefore, we are requesting the passage of HB 982, HD2.

The original version of HB 982 proposed a future solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states challenged by wildfires have done, Hawai'i needs to establish a recovery fund.

Establishing a Wildfire Recovery Fund provides a structured and efficient way to compensate victims of future catastrophic wildfires without the prolonged expense and uncertainty of litigation. Having dedicated resources available will ensure that local

families, farmers, and businesses can recover faster and rebuild in the aftermath of a disaster.

Additionally, the original version of HB 982 protects the financial stability of Hawai'i's electric utilities, which play a critical role in powering agricultural operations, irrigation systems, and food processing facilities. Ensuring the creditworthiness of regulated utilities that contribute to the fund is essential for maintaining reliable energy infrastructure and reducing economic uncertainty in the event of a wildfire disaster.

Thank you for the opportunity to testify on this important matter.



**TESTIMONY IN SUPPORT OF
HB 982 HD2**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2 - Relating to Wildfires
Agenda #2**

Thursday, February 20, 2025
12:00 PM; Conference Room 308

Dear Chair Yamashita, Vice Chair Takenouchi and Members of the Committee,

Thank you for the opportunity to testify in support of HB 982 HD2 Relating to Wildfires. My name is Eric Wright and I serve as President of Par Hawaii. Par Hawaii is the largest local supplier of fuels, including various grades of utility fuels, as well as diesel, jet fuel, gasoline and propane.

HB 982 HD2 is a proactive approach to dealing with economic losses from a wildfire. The process that HB 982 HD2 would put in place would help ensure that Hawaiian Electric can attract investors in the capital markets. It would address the uncertainty associated with wildfire risks, an issue that is well documented by rating agencies such as Fitch¹ and Moody's². Other states have taken similar measures.

One of the underappreciated benefits of this legislation is the positive impact it has on Hawaii's local companies. In the case of Par Hawaii, we are a fuel supplier to Hawaiian Electric. We depend on Hawaiian Electric's ability to access capital and make timely payments on its obligations.

Similarly, there are several independent power producers³ who are critical to our daily lives because they produce and sell power to Hawaiian Electric. Additionally, there are potentially hundreds of local contractors and vendors who do business with Hawaiian Electric. These companies all depend on Hawaiian Electric to pay its bills on time. In turn, these companies are able to cover the cost of their business, including salaries and wages for their employees, as well as payments to local contractors and vendors.

The benefits of HB 982 HD2 go well beyond Hawaiian Electric by providing assurance to many local companies, and their employees, who do business with Hawaiian Electric.

¹ <https://www.fitchratings.com/research/corporate-finance/fitch-affirms-hawaiian-electric-industries-hawaiian-electric-co-at-b-removes-negative-watch-25-10-2024>

² <https://events.moody.com/2024-miu22138-investor-breakfast-briefing/liability-reform-will-be-key-to-support-credit-quality-of-utilities-in-wildfire-prone-states>

³ <https://www.hawaiianelectric.com/about-us/power-facts>

Hawai'i State Legislature
House Committee on Finance

February 19, 2025

Filed via electronic testimony submission system

RE: HB 982, HD-2, Wildfire Recovery Fund; Securitization - NAMIC's Testimony in Opposition

Thank you for providing the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the February 20, 2025, public hearing. Unfortunately, I will not be able to attend the public hearing, because of a previously scheduled professional obligation.

The National Association of Mutual Insurance Companies consists of nearly 1,500 member companies, including seven of the top 10 property/casualty insurers in the United States. The association supports local and regional mutual insurance companies on main streets across America as well as many of the country's largest national insurers. NAMIC member companies write approximately \$391 billion in annual premiums and represent 68 percent of homeowners, 56 percent of automobile, and 31 percent of the business insurance.

NAMIC appreciates the scope of the legal, political and public policy challenges that this legislature, the business community, the electrical utilities industry, and insurance industry face in trying to deal with wildlife liability exposure. The extensive legislative debate last session is proof of the difficulty of the project. However, unlike last session where the proposed legislation was fairly transparent on key provisions that directly impact the legal rights of interested stakeholders, this session's bills omit necessary information for insurers and others to consider when evaluating the proposed legislation. Consequently, we respectfully oppose the legislation as drafted.

NAMIC's *opposes* the proposed legislation relate to Section 1 of the bill on the Wildfire Recovery Fund and its implications upon insurance companies and their consumers. Specifically, we have the following concerns:

1) Section A-6 of SB 1201 lacks the necessary details for insurers and their policyholders to understand how the Fund would operate and make settlement decisions. The lack of transparency raises due process protect concerns.

This section of the bill provides that the Executive Director of the Wildfire Recovery Fund shall adopt rules pursuant to chapter 91 to create a process for the submission, apportionment, and payment of claims subject to the aggregate liability limit of the fund.



However, there are neither any stated details nor specific guidelines enumerated in the bill as to the methodology or process for how this will be accomplished. Moreover, the provision fails to state how the settlement money will be allocated among parties, which is a crucial consideration for interested stakeholders. This lack of information on a crucial point makes it difficult, if not impossible, for insurers to make an informed decision about critical issues like whether their due process rights are being compromised.

The bill grants the Executive Director with a great deal of broad authority and discretion without providing stakeholders with any specifics to evaluate whether the Executive Director is in compliance with the letter and spirit of the law. The proposal takes all of the power away from the State Legislature and the Courts and places it in the Executive Director. It is the Executive Director alone who will be defining, creating and implementing policies.

NAMIC also has specific concerns about the rulemaking process: (1) will it provide for administrative due process to interested stakeholders; (2) what will be the timing and process of rulemaking; (3) how will settlement determinations be made; (4) will stakeholders be able to challenge the determinations; (5) will there be appeals process; and (6) will the Executive Director get to set guidelines about how she is to execute the duties of office? Additionally, we are concerned that the rulemaking process will not be timely, will be cumbersome, and lack necessary transparency for stakeholders.

2) Section A-6 of the proposed legislation creates concerns about apportionment of funds for settlement of stakeholder claims – Specifically, NAMIC is concerned about how apportionments will be calculated and administered. What percentage of funds would insurers be eligible to recover for their subrogation claims? Would it be a uniform amount applied to all claims and all catastrophic events? The way the bill is written insurers' legal rights could be compromised. The bill offers no assurance that insurer will be entitled to recover damages from the at fault party.

Further, the bill is unclear as to whether the apportionment to all claimants will be evaluated and funds distributed at the same time or in some sort of prioritized process? The ambiguity and lack of specificity in the bill on key settlement decision-making metrics makes it impossible for insurers to determine if the bill reasonably addresses the needs of insurers and their policyholders.

3) Section A-8(c) is written in a way that arguably interferes with the legal claims of parties who have exercised their legal right to not participate in the proposed Fund and who want to utilize the current judicial system to secure recovery of their damages – The bill expressly mandates that the court shall not approve any settlement or judgment that could cause the aggregate liability of contributors to the Fund to exceed the Fund's aggregate liability limit. In effect, this provision adversely impacts the legal rights of those financially injured parties who have decided not to participate in the recovery mechanism of the Fund by creating an artificial cap on their damages. This provision of the bill could directly limit or entirely negate an insurer's legal right to subrogate against/recover from the at-fault party the damages it paid to its policyholder pursuant to its insuring agreement.

For the aforementioned reasons, NAMIC respectfully requests that this committee **hold HB 982, HD-2**. If the Committee believes the bill should move forward for further discussion, NAMIC ask that it (1) Amend Section A-6 to provide necessary details for informed decision-making and consumer protection transparency



as to the proposed claims settlement and damages apportionment process; and (2) Delete Section A-8(c) since it would be an unconstitutional taking of the property rights (access to full compensation of damages) of non-Fund litigants who have exercised their legal right not to participate in the Fund.

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC's written testimony.

Respectfully,

Christian John Rataj, Esq.
NAMIC Senior Regional Vice President
State Government Affairs, Western Region



HAWAII TEAMSTERS & ALLIED WORKERS LOCAL 996

Affiliated with the International Brotherhood of Teamsters

Local996@hawaiiitemsters.com

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Honolulu, HI 96819-3205

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

SUPPORT OF HB 982, HD2 Relating to Wildfires

Thursday, February 20, 2025

12:00 PM

State Capitol, Conference Room 308

Submitted by Hawaii Teamsters and Allied Workers Local 996

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Hawaii Teamsters and Allied Workers Local 996, I am submitting written testimony in support of the original version of HB 982 as it relates to the shareholder contribution and encourage further work on certain aspects of the bill. Moving this bill forward will allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982, HD2.

The original version of HB 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico and California are considering similar legislation to address wildfire risks and its impact on electric utilities. Additionally, recent fires in Los Angeles magnify the importance of such legislation.

This bill is being proposed to ensure the availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We request your support of HB 982, HD2 and its passage to allow for continued discussion on this very important initiative. Thank you for the opportunity to share support.

KEVIN HOLU
President/Principal Officer

JOELLE HUSSEY
Secretary – Treasurer

WALTER FOX III
Vice President

BEVERLY TUSI
Recording Secretary

FELIPE "PACO" ANGUIANO
Trustee

TAVESI AUGAFA
Trustee

JONATHAN LEO REED
Trustee

House Bill 982 HD2 – Relating to Wildfires

TESTIMONY

Hawai'i State House of Representatives

House Committee on Finance

Thursday, February 20, 2025

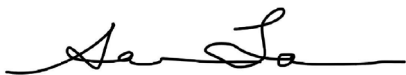
12:00 p.m.

Aloha Chair Yamashita, Vice Chair Takenouchi and Members of the House Committee on Finance,

Mahalo for the opportunity to provide testimony in **support of HB 982 HD2, relating to Wildfires**. AES Hawai'i is the State's largest renewable energy provider. AES Hawai'i shares the State's vision for a 100% renewable energy future to enhance energy resilience, decarbonization, and promote energy equity. We are working to accelerate and support Hawai'i's transition toward a carbon-free energy future with renewable projects across the Hawaiian Islands totaling over 405 MW of solar, solar plus storage, and wind resources in operation or under contract, with 102.5 MW of Stage 1 projects, 37 MW of Stage 2 projects, and 126 MW of Stage 3 projects.

The purpose of HB 982 HD2 is to establish a wildfire recovery fund to provide compensation for property damage resulting from future catastrophic wildfires in the State. Following the Maui Wildfires that resulted in tragic losses of life, personal injuries and property damage, AES Hawai'i fully appreciates and supports the **intent** of this measure, as stated, as well as the proposal's intent to address the future stability of the investor and electric utility. Hawai'i needs a stable utility to meet the ambitious renewable energy goals embedded in our state energy policy.

Mahalo for your consideration.



Sandra Larsen

President

AES Hawai'i



Testimony Before the House Committee on Finance

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

Thursday, February 20, 2025; 12:00 pm
Conference Room #308 & Videoconference

House Bill No. 982 HD 2 – RELATING TO WILDFIRES

To the Honorable Chair Kyle T. Yamashita, Vice Chair Jenna Takenouchi, and Members of the Committee:

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

KIUC offers comments and amendments.

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 costs. Public utilities are very capital intensive, and maintaining access to low-cost financing is of utmost importance to utilities. Providing a vehicle for expedient processing of claims from consumers not covered by insurance, while preserving the financial viability of electric utilities by allowing them to obtain timely recovery of costs related to wildfires from the Hawai'i Public Utilities Commission (PUC), could substantially mitigate negative impacts from catastrophic events.

Allow us to share thoughts on the components of the bill:

Wildfire Recovery Fund

KIUC understands the intent of establishing this fund and would consider participating if it is established. We appreciate the amended definition that includes circumstances that might be more realistic for an island like Kaua'i.

Securitization

As a not-for-profit cooperative, KIUC could have access to funding assistance from the Federal Emergency Management Agency (FEMA) following a declared disaster. It is reasonable to expect FEMA would cover 75% of KIUC's eligible rebuilding costs following a wildfire. However, FEMA would not reimburse all losses, and there could be additional third-party liability claims not covered by insurance resulting from a wildfire event. Additionally, FEMA has been mentioned by the Trump administration as an agency targeted for potential changes which could impact future availability of funding.

Securitization of wildfire related claim costs is potentially the most cost-effective method of financing if it is available, as debt can be issued in the capital market at investment grade levels often at the highest investment grade. The PUC's recently issued *2024 Inclinations on the Future of Energy in Hawaii* states "... creative new mechanisms, such as securitization, are likely necessary to secure the timely availability of funds and reduce ratepayer impact." KIUC notes that issuance and ongoing costs associated with securitization can be substantial. This likely limits the applicability of securitization to KIUC, since claim costs that may be material to a relatively small utility like KIUC may not reach a threshold that makes financial sense for incurring the carrying costs of securitization.

KIUC is nevertheless supportive of having the ability to participate in securitization in the event electric cooperative wildfire claim costs are large enough to justify a securitized offering.

Wildfire Mitigation Cost Recovery

Fire mitigation is an essential element of Hawai'i's wildfire response efforts. KIUC has recently submitted a Wildfire Mitigation Plan (WMP) to the PUC. KIUC's WMP calls for between \$19 million and \$38 million of capital expenditures over the three-year period of 2025-2027, in addition to between \$3 million and \$4 million of yearly operating and maintenance costs. Timely recovery of incremental costs of this magnitude through utility rates is important for KIUC to remain financially strong and retain capital market access. Currently, to recover these incremental costs, KIUC's only option would be to file a general rate increase application with the PUC in a process which can take over a year's time to prepare for and obtain and cost several million dollars.

KIUC requests the legislature enact a provision authorizing the recovery of prudently incurred WMP related costs by an electric cooperative through a tariff mechanism to be established by the PUC, and particularly through an automatic rate adjustment clause. Because this pertains to the PUC's regulation and establishment of utility rates as set forth in section 269-16, we request that this provision be added as a subsection to section 269-16 instead of to the Securitization section of this bill.

Specifically, we request that the following subsection be added to Chapter 269:

§269-16.23 Electric Cooperative Cost Recovery for Wildfire Mitigation, Repair and Restoration Costs. Electric cooperatives are authorized to recover commission approved wildfire mitigation, repair and restoration costs through an automatic rate adjustment clause or other tariff recovery mechanism to be established by the commission.

Mahalo for your consideration.



Iron Workers Stabilization Fund

T. George Paris
Managing Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

SUPPORT OF HB 982, HD2
Relating to Wildfires
Thursday, February 20, 2025
12:00 PM

On behalf of Ironworkers Stabilization Fund, I am submitting written testimony in support of the original version of HB 982 as it relates to the shareholder contribution and encourage further work on certain aspects of the bill. Moving this bill forward will allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982,HD2.

The original version of HB 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico and California are considering similar legislation to address wildfire risk and its impact on electric utilities. Additionally, recent fires in Los Angeles magnifies the importance of such legislation.

This bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We request your support of HB 982, HD2 and its passage to allow for continued discussion on this very important initiative.

Sincerely,
T. George Paris
Managing Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE**HB 982 HD2
Relating to Wildfires – In Support**

Thursday, February 20, 2025
12:00 p.m.; Agenda #2
State Capitol, Conference Room 308

Dear Chair Yamashita, Vice Chair Takenouchi and Members of the Committee,

On behalf of Plus Power, I am testifying in support of the original version of HB 982 and encourage working on the HD2 version. We do believe moving the bill forward would allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982 HD2.

The original version of HB 982 proposed a future solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawaii families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

The Plus Power team is accelerating the deployment of transmission-connected battery energy storage throughout the United States. Plus Power develops, owns, and operates standalone battery energy storage systems that provide capacity, energy, and ancillary services, enabling the rapid integration of renewable generation resources. We now have 7 operating projects, with 1 in Hawaii, 4 in Texas, 2 in Arizona, and 2 more coming online this year in Maine and Massachusetts, totaling over 4000 MWh. Behind those, we have 10 GW of projects in 28 U.S. states, including Hawaii, and Canada in development. Plus Power wants to continue to help Hawaii meet its energy and reliability needs, and this legislation helps unlock the financing required.



201 Spear St, Ste 1000
San Francisco, CA 94105
P: 832-585-1238
pluspower.com

We request your support of HB 982 HD2 and its passage to allow discussion on this very important initiative. Thank you for the opportunity to share support.

Brian Duncan
Senior Vice President, Origination & Commercial
Plus Power



Sustainable Energy Hawai'i

sustainableenergyhawaii.org
noel@sustainableenergyhawaii.org

February 19, 2025

Testimony for HB982 HD2 - RELATING TO WILDFIRES

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee members.

I'm testifying on behalf of **Sustainable Energy Hawai'i**, a 501(c)(3) non-profit dedicated to improving the quality of life for Hawaii Island residents. Our mission is to enable an economic, social, and environmental revival in Hawaii through a just transition to sustainable, 100% locally sourced renewable energy and the creation of a thriving clean hydrogen economy.

Sustainable Energy Hawai'i supports HB982 HD2, which *'Establishes the Wildfire Recovery Fund. Allows securitization for electric utilities.'*

Once established, the Wildfire Recovery Fund will provide compensation to those who suffer property loss in a future catastrophic wildfire involving utility equipment, encourage and support long-term wildfire mitigation efforts, and help ensure that Hawaii's utilities will be able to continue to effectively deliver essential services.

The original version of HB982 proposed for Hawaiian Electric to fund its initial contribution of \$1 billion through securitization. Given Hawaiian Electric's current credit rating, securitization is the quickest and most cost-effective way to finance this fund, and most importantly, would have the least impact to customers compared to financing strategies.

SB982 HD2 has introduced complexities that appear to modify the effectiveness and efficiency of the proposed Wildfire Recovery Fund. We recommend that the original version – HB982 – be restored to optimize the efficacy of the measure but are supportive of this bill moving forward so that it can be further optimized.

SB982 is a proactive means to mitigate the economic threat posed by future catastrophic wildfires. It will allow for more efficient payment of claims and prompt recovery for those affected. It will also protect the creditworthiness of participating utilities which ultimately translates to lower impact to ratepayers.

We encourage passage of HB982 HD2.

Thank you for this opportunity to testify.

Respectfully,

Noel Morin, Chairman, Board of Directors and on behalf of the Sustainable Energy Hawai'i Board of Directors: Peter Sternlicht – Treasurer | Kanani Aton – Secretary | David De Luz – Director | Desmon Haumea – Director | Jerry Chang - Director | Stanley Osserman - Director

HB-982-HD-2

Submitted on: 2/19/2025 8:52:48 AM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Georgette Nohea Stevens	Kaʻala Farm	Support	Remotely Via Zoom

Comments:

Testimony in Support of HB 982 HD2

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Georgette Nohea Stevens, and I am submitting testimony in strong support of HB 982 HD2. As a resident and advocate for the Waiʻanae community, I urge you to recognize the urgent need for wildfire mitigation and emergency preparedness in our region.

Our residents within the Waiʻanae Moku have grave concerns about the increasing threat of wildfires. With only one way in and out of our community, any fire poses not only an environmental and economic risk but a severe public safety hazard. The potential for road closures due to fire could leave thousands of residents stranded without access to emergency services, evacuation routes, or essential supplies.

This bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state’s largest electric utility is important to the economic viability of our state. This bill’s purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii’s economy.

I respectfully urge this committee to advance HB 982 HD2 and ensure that the needs of our community are prioritized. Mahalo for your time and consideration.

Sincerely,
Georgette Nohea Stevens

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



February 19, 2025

Via Electronic Submittal

Committee on Finance
Representative Kyle Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair

Thursday, February 20, 2025, 12:00 p.m.; Agenda #2
Conference Room 308 & Videoconference

RE: HB 982 HD2 – Relating to Wildfires - Support the Intent

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the Committee,

Clearway Energy Group (“Clearway”) supports the intent of HB 982 HD2, which establishes a recovery fund for future wildfire-related claims. Clearway is one of the largest suppliers of renewable energy to Hawaiian Electric and its customers. Our projects provide clean, reliable power to Hawaiian Electric’s customers at a fixed price and at a lower cost than electricity from fossil fuel sources.

In supporting the intent of HB 982 HD2, Clearway wishes to underscore the importance of a financially stable utility in enabling continued construction of affordable, clean energy resources to meet Hawaii’s electricity needs. A recent S&P Global Ratings report on Hawaiian Electric Industries Inc. and its subsidiaries confirmed a credit rating of B- (six notches below investment grade), with a negative outlook driven by litigation risk.¹ When Clearway and other independent power producers seek financing for our clean energy investments in Hawaii, lenders rely on these credit ratings and reports to determine whether, and at what cost, they will invest in a project contracted with Hawaiian Electric. In the current environment, Clearway has determined that it is currently not possible to secure financing at a reasonable cost for projects relying on revenue from Hawaiian Electric.

¹ S&P Global Ratings, RatingsDirect: “Hawaiian Electric Industries Inc. And Subsidiaries Ratings Affirmed, Off Credit Watch; Outlook Negative,” November 22, 2024.

In addition to HB 982 HD2, Clearway also supports HB 974, which allows independent power producers to enter into a step-in agreement with the State, giving lenders near-term assurance that payments for delivered energy will continue even if the utility were to become subject to a bankruptcy proceeding. Both proposals are needed to support continued financing of clean energy projects. The step-in agreement is a temporary mechanism to allow project financing to continue in the near term while Hawaiian Electric works back toward an investment-grade credit rating, whereas HB 982 HD2 is important as a mechanism to support Hawaiian Electric's long-term credit recovery.

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



LOCAL UNION NO. 126

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HONOLULU, HAWAII

OF THE

International Union of Elevator Constructors

AFFILIATED WITH THE AFL-CIO

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

SUPPORT OF HB 982, HD2 Relating to Wildfires

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by the International Union of Elevator Constructors, Local 126

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Marc Yamane, and I am the Business Representative of the International Union of Elevator Constructors (IUEC), Local 126. On behalf of IUEC Local 126 I am submitting written testimony in support of the original version of HB 982 as it relates to the shareholder contribution and encourage further work on certain aspects of the bill. Moving this bill forward will allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982, HD2.

The original version of HB 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico and California are considering similar legislation to address wildfire risk and its impact on electric utilities. Additionally, recent fires in Los Angeles magnifies the importance of such legislation.

This bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We request your support of HB 982, HD2 and its passage to allow for continued discussion on this very important initiative. Thank you for the opportunity to share our support.

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN OPPOSITION OF
HB 982 HD2**

Date: Thursday, February 20, 2025

Time: 12:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **OPPOSITION** of **HB 982 HD2 Relating to Wildfires**. The measure seeks to establish the Hawaii Wildfire Recovery Fund (the “WRF”) to provide compensation for property damage resulting from catastrophic wildfires in the State.

As currently drafted, HB 982 HD2 establishes the WRF and creates a process for future property damage claims arising from catastrophic wildfires (500 or more residential and commercial structures). The measure establishes a process requiring victims of future catastrophic wildfires to submit their property damage claims to the Wildfire Recovery Fund’s Executive Director (“ED”) for evaluation, after which settlement offers will be determined and issued by the ED. If the offer is accepted, then the victim will be prohibited from filing a claim against a participating public utility.

Victims who reject an offer from the WRF will be permitted to pursue litigation, however, the aggregate claim value for those claimants who pursue litigation would be capped at the greater of:

- i. 50% of the amount obligated to the fund at the time of the fire; or**
- ii. The average assessed commercial and residential properties in the county which the wildfire occurred.**

Although the stated purpose of HB 982 HD2 is to provide “a rapid, efficient, and low-cost process for property owners, renters, businesses, and their insurers” to obtain compensation arising from catastrophic wildfires, the effect of the bill, as written, is largely to limit liability exposure of contributing public utilities – primarily Hawaiian Electric Industries. This limitation on liability

appears to apply beyond the stated scope of property and business-related interests and imposes a cap on *all* liability – giving participating contributing public utilities a free pass even if, due to their negligence, personal injury or death is inflicted on the innocent people of Hawai‘i. HAJ asks that the legislature conform the content of HB982_HD2 to the stated purpose of the bill – to expedite recourse to property owners and businesses and remove all limitations on liability which frustrate this purpose and which would otherwise damage the interests of the public.

I. HB 982 HD2 Limits Recovery for Future Wildfire Victims:

Liability limits on damages is bad public policy. HAJ is concerned that the proposed measure will limit not only economic damages claims for property and business losses, but as currently drafted, the measure undercuts the rights of personal injury victims in future disasters. Most concerning, the operation of §A-8, Limitation on aggregate liability, incentivizes underfunding of the WRF by tying the limitation of liability to amounts available to the fund at the time of the catastrophic wildfire.

HAJ understands there are business implications that this measure may have for fund contributors, however, we fail to see why those who have caused so much damage and destruction should be rewarded for their callousness with a free pass on liability for similar disasters they may cause or contribute to in the future.

Limiting a victim’s ability under this measure removes accountability for utility companies whose actions or omissions result in damage to people across the state. We ask the Legislature to avoid setting a dangerous precedent of rewarding malfeasance. Further, HAJ is concerned that, under the proposed scheme, liability will be subsidized by securitization through raising of innocent customers’ rates.

To rectify these concerns, HAJ recommends amending the measure to remove Section A-8 to eliminate any cap on liability for victims who choose to forego payments from the WRF. Alternatively, HAJ recommends amending section A-8 (a)(2) to include “fair market value” rather than “assessed market value” to ensure that victims are appropriately compensated for their property damage and removing A-8(a)(1) to avoid the arbitrary fifty percent cap which is tied to the health of the fund at the time of a catastrophic wildfire. HAJ also recommends amending section A-8(a) by removing “, including economic and non-economic damages,” as this broad inclusion is antagonistic to the term “qualifying damages” and appears to expand the already-defined term “qualifying damages” to mean *all* damages – including those not related to the loss of business or property.

II. Substantial ED Authority Without Clear Parameters:

HAJ is concerned that HB 982 HD2 gives the ED, an appointed official, too much power by giving them the sole authority to determine rules and make offers to settle on behalf of the WRF. Given the authority granted under this measure there should be an appointed “Executive Committee” based on the qualifications of the members (e.g., insurance rep, attorney, a DCCA rep, etc.), and a new committee should be appointed every time a “catastrophic wildfire” occurs (similar to the MICP proceedings). In turn, we recommend an amendment to Section A-2 (c) to read as follow:

“Upon each occurrence of a catastrophic wildfire, the governor shall appoint an executive committee for the wildfire recovery fund which shall include:

1. The governor or his or her appointee;
2. The senate president or his or her appointee;

3. The speaker of the house or his or her appointee;
4. The senator of the district in which the catastrophic wildfire occurred or his or her appointee;
5. The representative of the district in which the catastrophic wildfire occurred or his or her appointee;
6. The director of the Department of Commerce and Consumer Affairs or his or her appointee;
7. The mayor of the county which the catastrophic wildfire occurred or his or her appointee;
8. The fire chief of the county which the catastrophic wildfire occurred or his or her appointee; and
9. The insurance commissioner or his or her appointee.”

Further, rules on how applications will be evaluated and offers are determined should be a part of this legislation to provide direct guidelines to the ED or a panel. This will ensure that future victims will receive equitable offers from the ED and obtain the recovery they desperately need following a future catastrophic wildfire.

In addition, HAJ is concerned that the measure penalizes a claimant who fails to meet a deadline to file a claim, which is determined by the ED and not clearly defined in this legislation. We appreciate the amendment by the previous committee providing for a four-year statute of limitations from a covered catastrophic wildfire. However, there remains a lack of a specified timeframe to file a claim after receiving or rejecting an offer from the ED. In turn, we recommend a further amendment on Page 15 to read:

“A qualified claimant who fails to file a claim by [~~the deadline established by the executive director pursuant to rule~~] four years after a wildfire or two years after a qualified claimant receives payment, whichever is later...”

An appropriate deadline which reflects the intent to expedite claims while balancing the time needed for victims to heal and begin the recovery process should be made a part of this legislation.

Lastly, HAJ is concerned with the imposition of salaries for staff selected by the ED. We are concerned that the allocated funding could be better utilized to serve victims of a catastrophic wildfire. The impacted community would be better represented by an executive committee containing legislative and community leaders on an as needed basis.

III. Unclear Language Regarding Process for Damages Exceeding Obligated Amounts:

The current language of the measure does not appear to specify parameters of the WRF should the amount of economic damages exceed the amount of funds obligated. HAJ has concerns with Section A-6(d) which indicates that funds from the WRF shall only be made to contributors if the amount available to the WRF is less than 50% of the aggregate liability under Section A-8. It appears that Section A-6(d) should only apply when the WRF is not triggered as the obligated funds are clearly insufficient to account for the economic damages. However, the language of the measure does not clearly state that the WRF would not trigger and the liability limits do not apply under this circumstance. HB 982 HD2 should be amended to reflect this intent and clarify that: 1) the WRF is not applicable victims of a catastrophic wildfires under Section A-6(d); 2) all proposed liability imitations on victims are not applicable if Section A-6(d) is utilized by the participating utilities.

Furthermore, the ED is not required to request supplemental payments from contributors when the damages exceed the obligated amounts to the WRF. In turn, leaving requests for supplemental payments to the WRF at the discretion of the ED doesn't promote utilization of the fund and is inconsistent with the intent of the measure to expedite victim's recovery. The ED should be required to request supplemental payments from the participating public utilities if the economic damages exceed the obligated amounts to the funds. In conjunction, if a request for supplemental payment is denied by a participating public utility, then mandatory participation in the WRF and recovery limitations for victims that reject offers from the ED should be waived. This encourages the WRF to be adequately funded for victims to seek quicker recovery.

IV. Reduces Accountability to Adhere to Mitigation Plans:

The measure imposes an imprudent standard for the Public Utilities Commission (the "PUC") when determining whether the conduct of a contributor caused the occurrence or contributed to the severity of a covered catastrophic wildfire. If the PUC finds that the public utility acted imprudent leading to the wildfire, then the PUC must order contributor to replenish the WRF not more than amount that exceeds 20% of the contributor's transmission and distribution equity base rate (Section A-5(d)).

First, the measure imposes an unclear cap on reimbursement for imprudent public utilities by failing to define "distribution equity base rate." This is concerning for ensuring the proper replenishment and maintenance of adequate obligated funds for future applicants to the WRF. Further, it is curious as to why limitation on replenishment public utilities found to be

imprudent is necessary. For example, if a public utility is found to be imprudent in adhering to a wildfire mitigation plan, the cap on reimbursement would still apply.

Most importantly, the limitation on recovery for victims that reject offers from the fund still applies if a public utility is found to be imprudent. HAJ believes that should it be determined that a public utility was imprudent in adhering to a wildfire mitigation plan, then the limitation on the aggregate claims for applicants who reject offers from the ED should not be applicable. This promotes accountability in adhering to mitigation plans designed to prevent future wildfires.

Further, subsection (b)(2) (page 13) should be clarified to indicate a “failure of a system” to prevent wildfires rather than an “imprudent system” should be considered when making a determination as to whether a contributor acted prudently. This will place emphasis on ensuring that systems implemented to prevent wildfires are upkept and proper protocols are adhered to by a contributor. This encourages compliance with mitigation plans rather than disregarding it

V. Unclear Parameters on Determination of a Covered Catastrophic Wildfire

HB 982 HD2 presents unclear guidance on how a covered catastrophic wildfire is determined. First, “Catastrophic wildfire” means a wildfire occurring in the State on or after the operation date that destroys more than five hundred commercial structures or residential structures designed for habitation, or, for an electric cooperative with less than fifty thousand residential members, meets a threshold dollar amount of potential claims to be determined by the executive director.” Second, “Covered catastrophic wildfire” means a catastrophic wildfire

that may have been caused, or whose severity may have been increased, by a contributor's facilities or actions.

However, given these definitions, Section A-4 states that the ED shall adopt rules on how a covered catastrophic wildfire is determined and is further required to include "a requirement that a wildfire shall be determined to be a covered catastrophic wildfire if a party makes **non-frivolous allegations** in a legal action that a contributor's facilities caused or contributed to the severity of a catastrophic wildfire." The existing definitions in combination with the rule requirement under Section A-4 creates confusion as to when the WRF is applicable. Based on the language of the rule requirement the WRF would apply to every wildfire which a non-frivolous claim is made and not apply to just to catastrophic wildfires (i.e. 500 or more structures). If the intent of the measure is for the WRF is to apply only to catastrophic wildfires, then HAJ recommends amending Section A-4 by removing the second sentence which requires a covered catastrophic wildfire to include any fire which includes a non-frivolous claim.

VI. Evidence Limitations:

Lastly, we are concerned with limitations on evidence that section A-12 imposes. Specifically, Section A-12 indicates that "evidence submitted for the purposes of proceedings under sections A-4, A-6, and A-7 shall be subject to the limits on admissibility under rule 408, section 626-1." This section is concerning as the WRF process under A-4, A-6, and A-7 could be utilized preclude evidence submitted to the ED from being discoverable and admissible as evidence during a civil proceeding. However, if this is not the intent of Section A-12, then an

amendment should be made to clarify that findings submitted to the ED shall remain discoverable and admissible in a civil claim.

VII. Proposed Amendments:

In accordance with the foregoing concerns, HAJ recommends the following amendments to provide additional clarity, ensure application of the WRF to property damages only, and ensure victim rights are preserved throughout the WRF process.

1. Page 8: Amend Section A-2(c) to read as provided on Page 3 and 4 of this testimony with conforming amendments;
2. Pages 9-10: Amend (b)(1) ...which amounts [~~shall~~] may be recovered from its customers in nonbypassable rates not to exceed an increase of 10% of rates paid by customers prior to January 1, 2025;

(c) ... with such interest recovered from [~~customers in rates.~~] shareholder dividends.
3. Page 10: Amend (b)(2) “...and shall be used exclusively by the executive committee for the implementation of the wildfire recovery fund, with any funds remaining of the \$5,000,000 in 2035 to be transferred to the wildfire recovery fund.”
4. Page 11: Amend (e) to read “If economic damages arising out of property damage resulting from a covered catastrophic wildfire exceed the amounts in and obligated to the wildfire recovery fund, the executive director [may] shall propose supplemental contributions to the wildfire recovery fund by participating public utilities.
5. Page 11: Amend (f) ...a public utility may rejoin the wildfire recovery fund as a contributor on a prospective basis if it makes owed payments with interest to be paid by its shareholders.
6. Page 12: Amend Section A-4 to read “The executive director shall adopt rules pursuant to chapter 91 regarding how to determine whether a wildfire is a covered catastrophic wildfire. ~~These rules shall include a requirement that a wildfire shall be determined to be a covered catastrophic wildfire if a party makes non-frivolous allegations in a legal action that a contributor’s facilities caused or contributed to the severity of a catastrophic wildfire.~~”

7. Page 14: Amend (c)...and the foreseeability of factors within and beyond the contributor's control that may have led...
8. Page 15: Amend (b)... A qualified claimant who fails to file a claim by [~~the deadline established by the executive director pursuant to rule~~] four years after a wildfire or two years after a qualified claimant receives payment, whichever is later, shall be ineligible to receive payment from the wildfire recovery fund and shall be barred from instituting or maintaining any qualifying action against a contributor, except that any other action under Chapter 663 may be brought in the normal course or, if related to a claim under this section, may be brought in the same course as a qualifying action, any other time constraints notwithstanding.
9. Page 17: Amend (a)...arising from a covered catastrophic wildfire[, ~~including economic and non-economic damages,~~]
10. Page 17: Remove Section A-8 or amend (a)(2) to read "The fair market value of all commercial structures and residential structures designed for habitation ~~in the county in which the covered catastrophic wildfire ignited, multiplied by the number of commercial structures or residential structures designed for habitation that were destroyed~~ damaged."
11. Page 18: Amend (c)...The court shall adopt procedures to equitably apply the limit set forth in subsection (a) to all [~~civil actions~~] qualifying actions that are filed.
12. Page 18: Amend (e) The aggregate liability limit set forth in section (a) shall not apply until the initial contribution of each qualified contributor is satisfied in full.
13. Page 19: Remove §A-10, abolition of joint and several liability.
14. Page 20: Revise §A-12 Inadmissible evidence. Any findings made by or evidence submitted to the director for purposes of proceedings under sections A-4, A-6, and A-7 shall be subject to the limits on admissibility under rule 408, section 626-1[-], provided that any findings made by or evidence in the possession of a qualified contributor shall be discoverable and admissible evidence in any civil action arising from a covered catastrophic wildfire. Failure by a qualified contributor to independently preserve evidence shall require that the director make the same evidence, submitted for purposes of proceedings under sections A-4, A-6, and A-7 available to the parties in any civil action arising from a covered catastrophic wildfire.

In sum, HB 982 HD2: 1) impairs victims seeking recourse for damage to their property; 2) subsidizes public utility liability through by securitization through raising customer rates; 3) provides a substantial amount of ED authority without clarity to ensure victims are properly remedied; 4) reduces a contributor's responsibility to safely design and maintain their operations; and 5)

We look forward to working with all involved stakeholders on this measure. Thank you very much for allowing me to testify in **OPPOSITION** of the current draft of HB 982 HD2. Please feel free to contact me should you have any questions or desire additional information.



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
FEBRUARY 20, 2025
HB 982 HD 2 RELATING TO WILDFIRES.**

Aloha, Chair Yamashita, and members of the House Committee on Finance. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

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

We support the intent of HB 982 HD2. This measure establishes the Wildfire Recovery Fund, allows securitization for electric utilities, and is effective 7/1/3000,

Our state should be looking in to ways to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy. The devastating wildfire on Maui caused tragic loss of life, property destruction including residential and commercial, and significant economic hardship. We need to start finding viable solutions beyond mitigation and a tactical plan to include a recovery plan should there be another wildfire in Hawaii. While we fervently hope that such a disaster never recurs, it is imperative that we prepare for all eventualities as well as the urgent need for proactive measures and a plan for the future.

This bill is a step in the right direction to start the conversation of wildfire recovery to ensure future funds for potential victims; and provide Hawaii families with an efficient option for recovering property damage claims from a future catastrophic wildfire without the expense and uncertainty of going to court. In addition, we need to find ways to address the continuation of the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state.

Mahalo for this opportunity to testify.

HBCTC

HAWAII BUILDING & CONSTRUCTION TRADES COUNCIL

DAMIEN T.K. KIM
President
IBEW 1186

MARC YAMANE
Vice President
Elevator Constructors
Local 126

PETER IRIARTE
Secretary/Treasurer
Operative Masons &
Plasterers Local 630

DOUGLAS FULP
Sergeant-At-Arms
Insulators Local 132

VALENTINO CERIA
Trustee
Plumbers & Fitters
Local 675

KEVIN HOLU
Trustee
Hawaii Teamsters Local 996

ART TOLENTINO
Sheetmetal Workers, I.A.
Local 293

JACOB EVENSON
Boilermakers Local 127

JEFF ORNELLAS
Bricklayers Local 1

LEROY CHINCIO
IBEW Local 1260

ANA TUIASOSOPO
Operating Engineers Local 3

**JOSEPH O'DONNELL and
T. GEORGE PARIS**
Ironworkers Local 625

PETER GANABAN
Laborers Local 368

RYDEN VALMOJA
District Council 50
Painters & Allied Trades
Local 1791
Carpet, Linoleum & Soft Tile
Local 1926
Drywall, Tapers & Finishers
Local 1944
Glaziers, Architectural Metal
&
Glassworkers Local 1889

VAUGHN CHONG
Roofers, Waterproofers, &
Allied Workers Local 221

February 19, 2025

House Committees on Finance

RE: HB982 HD2 –RELATING TO WILD FIRES

Aloha Chair Yamashita, Vice-Chair Takenouchi, and members of the Committee:

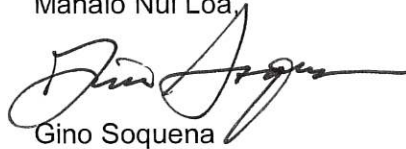
My name is Gino Soquena, Executive Director of the Hawaii Building & Construction Trades Council (HBCTC) which represents 18 construction trade unions here in Hawaii. I am testifying in SUPPORT of the original version of HB 982 and encourage further work on certain aspects of the bill. We do believe moving the bill forward would allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982, HD2.

The original version of HB 982 proposed a future solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico, and California are considering similar legislation to address wildfire risk and its impact on electric utilities. Additionally, recent fires in Los Angeles magnify the importance of such legislation.

This bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawaii families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We request your support of HB 982, HD2 and its passage to allow discussion on this very important initiative. Thank you for the opportunity to share support.

Mahalo Nui Loa,



Gino Soquena
Executive Director
Hawaii Building & Construction Trades Council



Mālama Learning Center is a non-profit organization based in West O'ahu. Our mission is to inspire communities to care for Hawai'i by perpetuating conservation, culture, and sustainability through education.

The Honorable Representative Yamashita, Chair
The Honorable Representatives Takenouchi, Vice Chair
The Honorable Members of the Committee on Finance

TESTIMONY IN SUPPORT OF HB 982 HD2
Relating to Wildfires

Hearing Date: Thursday, February 20, 2025 at 12:00 pm
Conference Room 308

Chair, Vice Chair, and members of the committees:

Aloha Kākou. My name is Pauline Sato and I serve as the Executive Director of the Mālama Learning Center, a private, non-profit environmental education organization serving schools and communities in West O'ahu. I am testifying in support of HB 982_HD2 as it relates to the shareholder contribution and encourages further work on certain aspects of the bill. While we prefer the original version of HB 982, moving this bill forward will allow continued discussion on the merits of the bill, therefore we are requesting the passage of HB 982 HD2.

HB 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather, HB 982 is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

Throughout my 30+ year career in conservation focusing primarily in the Wai'anae and West O'ahu regions, wildfires have always been a serious threat and concern. I have witnessed and worked with the Honolulu Fire Department and military resources to stop fires that burned in conservation areas and reached residential areas. We are actively working to create "green" firebreaks with native and cultural heritage species to replace more flammable invasive grasses in key areas. But that is not enough. We, collectively, need to do much more in prevention and preparation. And there must be sufficient resources to respond if and when a catastrophic wildfire emerges to support the affected communities.

This legislation is critical to guaranteeing the availability of vital resources for our families in the event of future emergencies, creating a future wildfire recovery fund for potential victims. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. This bill will reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy. I support HB 982 HD2 and request its passage to allow for continued discussion on this very important initiative. Thank you for the opportunity to testify.

Aloha,

A handwritten signature in black ink, appearing to read "Pauline M. Sato", with a stylized flourish at the end.

Pauline M. Sato

Mālama Learning Center
P.O. Box 1662, Honolulu, Hawai'i 967806
www.malamalearningcenter.org



February 19, 2025

Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

Testimony in Support for HB 982, HD2, RELATING TO WILDFIRES and an Amendment to the Original Version of HB 982 (Establishes the Wildfire Recovery Fund. Allows securitization for electric utilities. Effective 7/1/3000. [HD2])

**Thursday, February 20, 2025, 12:00 p.m.
Conference Room 308; Via Videoconference**

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, housing, and renewable energy, while safeguarding Hawaii's significant natural, cultural, and agricultural resources, and public health and safety.

LURF and its members support all forms of renewable energy and for over one hundred years, our members have led the state in energy research, development, installation, generation, transmission, and delivery of renewable energy.

LURF appreciates the opportunity to express its **support for HB 982, HD2, and respectfully requests an amendment reverting back to the ORIGINAL VERSION of HB 982**, as it relates to the shareholder and ratepayer contributions to the Wildfire Recovery Fund, and LURF encourages further work on other aspects of the bill, and believes that moving this bill forward will allow continued discussion on the merits of the bill.

HB 982, HD2. The purpose of this bill is to serve the public interest by establishing a mechanism to create a Wildfire Recovery Fund to provide efficient compensation for property damage resulting from a future catastrophic wildfire allegedly caused by a regulated utility, while also protecting the financial integrity of Hawaii's regulated utilities.

LURF's Position. This measure proposes a proactive approach and solution to address the economic threat of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Like other states challenged by wildfires have done, Hawaii needs to establish a recovery fund that can pay victims' claims faster after a future catastrophic wildfire.

However, LURF is concerned about the portion of HB 982, HD2 that requires a regulated utility to initially contribute \$500 million to the fund, LURF **respectfully requests that this bill be amended to revert to its original version**, which proposed for regulated utilities to fund its contribution through securitization (funding by contributions by the regulated utility and ratepayers over time). LURF believes that under the circumstances, securitization would have the least impact on customers versus other modes of financing and is the quickest and most cost-effective way for a regulated utility to finance the contributions to the Wildfire Recovery Fund.

LURF understands that generally "securitization" of a utility bond to address wildfires means to tie a rate collection mechanism — usually a fixed charge on utility customer bills — to the issued bond. (i.e., an asset-backed security). Because securitized bonds are backed by dedicated ratepayer charges, the borrowing costs for the long-term debt are usually more favorable for the regulated utility. **These "securitized bonds" are used to spread out the recovery of substantial amounts of wildfire claims and utility costs over many years in order to reduce the immediate impact on ratepayers.**

LURF also understands that that regulated utility securitization transactions have an extensive history of success in other jurisdictions and that this year the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico and California are considering similar legislation using securitization to address wildfire risk and its impact on electric utilities (the recent fires in Los Angeles magnifies the importance of such legislation).

This measure could ensure that financial resources would be available for our local families if a future catastrophic wildfire occurs again, by creating and funding a Wildfire Recovery Fund for potential victims and could provide Hawaii families with an efficient option for recovering property damage claims without the expense and uncertainty of going to court.

In addition, amending this bill to its **original version** would protect the creditworthiness of the participating regulated electric utilities that contribute to the fund. The economic viability of our state's electric utilities is important to the economy of our state, and this measure could reduce the financial uncertainty created by the risk of future catastrophic wildfires and help support Hawaii's economy.

For the above reasons, LURF **supports the amendment and passage of HB 982, HD2** and respectfully urges your favorable consideration.

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



Charter Communications

Testimony of Rebecca Lieberman, Director of Government Affairs

HOUSE COMMITTEE ON FINANCE

Hawaii State Capitol

Thursday, February 20, 2025

COMMENTS ON H.B. 982, H.D. 2 – RELATING TO WILDFIRES

Chair Yamashita, Vice Chair Takenouchi and Members of the Committee.

Thank you for the opportunity to provide comments on H.B. 982, H.D. 2, a bill that would create a wildfire fund and administrative claims process that would allow claimants to be compensated for damage caused by a catastrophic wildfire relating to a public utility.

While Charter understands the intent of the bill and the desire to quickly and efficiently resolve claims stemming from catastrophic wildfires, without several important amendments, this bill does not strike the right balance in protecting the interests of Charter and its customers and, as a result, we could not support the bill.

The changes we propose are necessary to align H.B. 982, H.D. 2's stated purpose to create an efficient and comprehensive process to resolve claims in several important ways and are therefore fundamental to creating good public policy and a fair outcome for all involved. First, these amendments will ensure that the bill creates a comprehensive process for claimants to efficiently resolve wildfire litigation claims and avoids fragmented claim resolution and litigation, which can be costly and result in substantial delay for claimants and impose a substantial burden on our local courts. Second, the amendments will ensure that the ability of entities like Charter subsidiaries to negotiate indemnity rights that are vital to future and continuing partnerships with electric utilities is not impaired. Finally, the amendments Charter

offers will ensure that the bill's stated purpose of balancing the rights of claimants with ensuring financial stability and certainty for public utilities that serve consumers is maintained.

We provide some additional details on our proposed amendments below.

Indemnity and Contribution Rights

As the bill is currently drafted, the bill shields Wildfire Fund participants from the contractual right of third-parties to seek indemnity under future agreements with such contributors, as set forth in Section A-9(b). While Charter appreciates the amendments made in the prior committee hearing, which indicates that the bill will not affect existing contractual obligations entered into before the operation date, a comprehensive bar on future indemnity claims will affect its ability to do business with utilities that choose to contribute to the Fund. For example, Hawaiian Electric Company ("HECO") has a multitude of existing indemnity obligations in its contracts with Spectrum Oceanic and other parties, and those obligations will be essential parts of contracts that HECO and other utility providers will enter in the future. Section A-9(b)'s limitation on indemnity claims would interfere with the ability of third-party providers to negotiate agreements that ensure providers are not frustrated in fulfilling their authorization (and obligation) to provide important services under the terms of franchises maintained with the State. Moreover, the opportunity to efficiently offer important broadband, voice and mobile services provided over communication networks, which are typically attached to utility poles pursuant to agreements with HECO, would also be compromised. A complete bar on any future indemnity rights would contravene the purpose of H.B. 982, H.D. 2, which is to create a comprehensive claims settlement process.

Specifically, we suggest amending Section A-9, Page 20, Lines 3-9:

(b) No suit, claim, arbitration, or other civil legal action for indemnity or contribution for amounts paid, or that may be paid, as a result of a covered catastrophic wildfire, may be instituted or maintained by any persons or entities against contributors or their affiliates, employees, agents, or insurers for qualifying damages; provided that this subsection shall not ~~apply to any agreements entered into before the operation date.~~ affect the rights of any persons or entities with an agreement

with a contributor or its affiliates that contains a contractual indemnity provision.

Joint and Several Liability

We further propose edits to clarify that Hawaii's exceptions to the abolition of joint and several liability do not apply to this section, and that the abolition of joint and several liability applies to any suit related to a covered catastrophic wildfire. These edits are intended to effectuate the intent of the bill to efficiently and effectively resolve wildfire related claims connected to public utilities. To that end, this amendment would streamline all wildfire claims for various types of damages and against various defendants into one comprehensive process. This amendment also would encourage claimants to participate in the claims process through the fund and reduce the likelihood of claims splitting.

Specifically, we suggest the amending Section A-10, Page 20, Lines 10-15:

§A-10 Several liability. Any law to the contrary notwithstanding, joint and several liability is abolished for any qualifying damages. The exceptions to the abolition of joint and several liability set forth in section 663-10.9 do not apply to any suit, claim, arbitration, or other civil action arising out of a covered catastrophic wildfire. Any person or entity that is sued ~~for qualifying damages~~ in connection with a covered catastrophic wildfire may argue for apportionment of fault to any other person or entity regardless of whether that person or entity is a party to the action.

Venue and Consolidation

We propose that the provisions relating to venue and consolidation be deleted from the bill. Sections A-8(c) and (d) override important procedural considerations that should be left to our state trial courts and that are designed to ensure convenience and efficiency in judicial proceedings and fairness for all parties to litigation. As we've seen in the Maui fires cases, wildfire-related litigation can overwhelm our local court system, which may not always be equipped to handle hundreds of complex cases. Litigating hundreds of cases after a

catastrophic wildfire can take many years and consume substantial judicial resources, which are already being devoted to a large number of civil, criminal, probate and other kinds of cases. In addition, it can be difficult in smaller communities impacted by wildfires to find impartial jurors and who can serve for long time periods. Because of these unique local challenges, it is important for the judiciary to maintain flexibility on how to manage their cases and dockets. Instead of predetermining venue and consolidation procedures in a futuristic way that establishes a one-size-fits-all approach, courts and parties should continue to have flexibility to present these issues before the court, which can determine the best approach in a particular case.

Specifically, we suggest amending Section A-8, Page 18, Line 20 – Page 19, Line 12:

~~(c) All civil actions arising out of a catastrophic wildfire shall be brought in the circuit in which the catastrophic wildfire occurred. The~~ Any court presiding over a civil action arising out of a catastrophic wildfire shall adopt procedures to equitably apply the limit set forth in subsection (a) to all civil claims that are filed. All settlements or judgments for claims for qualifying damages shall be subject to court approval ~~by the court~~. The court shall not approve any settlement or judgment that would cause the aggregate liability of contributors to exceed the aggregate liability limit.

~~(d) A court shall consolidate cases arising from a covered catastrophic wildfire. Any circuit court that is not the consolidating court shall transfer any civil case to facilitate such consolidation.~~

Administrative Exhaustion

We propose that the administrative exhaustion provision be applied to any action that relates to a covered catastrophic wildfire, whether it relates to a contributor or other party. Both plaintiffs and public utilities often look for third parties in an effort to find another “pocket” to help settle a wildfire case. In an effort to prevent a piecemeal process that would channel contributor claims into an administrative process and claims against third-parties into

broad reaching indemnity or non-contributor litigation, we propose expanding the exhaustion requirement to cover non-contributor claims.

Finally, we propose to remove the provision that could alter the established two-year statute of limitations to pursue tort claims.¹ A two-year statute of limitations prevents important evidence and data from being lost or degraded over time, which will aid the Executive Director in evaluating claims for settlement and prevent unreliable, stale evidence from coming into complex wildfire related litigation. Vesting the executive director with authority to create an unlimited time period beyond four years after a covered catastrophic wildfire would also subject entities involved in wildfire-related lawsuits to indefinite uncertainty about potential claims against them. A two-year statute of limitations would promote H.B. 982's stated goals of providing an efficient process for claimants to recover and for utilities to manage costs associated with wildfire-related litigation.

Specifically, we suggest the amending Section A-6, Page 15, Line 13 – Page 16, Line 9:

(b) A qualified claimant shall file a claim for payment for economic damages arising out of the loss of or damage to real or personal property from a covered catastrophic wildfire pursuant to this section. . . . A qualified claimant shall not file or maintain any civil action ~~against a contributor~~ unless and until it rejects an offer of settlement from the wildfire recovery fund. A qualified claimant who fails to file a claim for payment from the wildfire recovery fund shall be barred from instituting or maintaining any qualifying action ~~within four years of the covered catastrophic wildfire shall be ineligible to receive payment from the wildfire recovery fund and shall be barred from instituting or maintaining any qualifying action against a contributor; provided that the executive director may establish a deadline beyond the four-year period by rule and until which time the claimant shall still be eligible to receive~~

¹See H.R.S. § 657-7 (property damage claims) ; *id.* § 662-4 (personal injury claims).

~~payment and shall not be barred from instituting or maintaining any qualifying action.~~

Definitions of “Qualifying Damages” and “Qualified Claimant”

As we’ve advocated for in the previous hearing, to streamline the envisioned wildfire fund process to encompass any kind of claim arising out of a covered catastrophic wildfire and help ensure a high level of participation after a catastrophic event, we propose the following amendments to Section 1, which begins on Page 4:

SA-1 Definitions. As used in this chapter, unless the context otherwise requires:

. . .

“Covered catastrophic wildfire” means a catastrophic wildfire that may have been caused, or whose severity may have been increased, by a contributor’s facilities or actions.

“Economic damages” means monetary losses, including without limitation, medical expenses, loss of earnings, burial costs, loss of use of property, costs of repair or replacement, costs of obtaining substitute domestic services, loss of employment, and loss of business or employment opportunities, and does not mean noneconomic damages.

. . .

“Investor-owned utility” means a public utility that is owned by shareholders and overseen by a board of directors elected by shareholders.

“Noneconomic damages” has the same meaning as in section 663-8.5.

. . .

"Qualified claimant" means any ~~property owner, property insurer, or tenant~~ person, entity, or insurer who alleges any qualifying damages.

"Qualifying action" means a civil action by a qualified claimant to recover qualifying damages.

"Qualifying damages" means ~~economic~~ any loss or damages arising out of a covered catastrophic wildfire, including damages arising out of the loss of or damage to real or personal property and personal injury from a covered catastrophic wildfire. "Qualifying damages" include both economic and noneconomic damages.

This is a complex bill with many interests involved. It appears principally drafted for the benefit and consideration of regulated utilities and specifically entities seeking certain asset securitization through the statutory authority it would provide. While HECO provides an important public utility service in the State and has critical interests, more time may be needed to consider other relevant impacts associated with this bill. Charter offers these comments today but expressly requests the opportunity to continue studying the bill and its impacts. As a company with significant interest and investments in the State, we ask for further opportunity to speak with the Committee about this bill in the future, reserving the right to provide additional input at a later time.

Mahalo for the opportunity to provide suggested amendments to H.B. 982, H.D. 2.



**Hawaiian
Electric**

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**STRONG SUPPORT OF HB 982, HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 pm
State Capitol, Conference Room 308

Jason Benn
Senior Vice President
Hawaiian Electric

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Jason Benn, Senior Vice President for Hawaiian Electric and I am testifying **in strong support of the original version of HB 982 and expressing concerns with the HD2 version** of the bill as it relates to the required contribution of \$500 million by Hawaiian Electric shareholders to the fund. This contribution is infeasible at this time and will have the effect of preventing the fund from operating—and negating all of its crucial benefits—creating greater burdens on ratepayers. I address the issue of shareholder funding in particular at the end of this written testimony, after first describing the benefits of HB 982 as originally proposed. Consistent with this testimony, we are requesting amendments to the fund contribution amounts. Also, this bill does not apply to claims arising from the August 2023 event, shareholders have agreed to pay all claims related to that event — this bill is applicable to future catastrophic events only.

The original version of HB 982 is in the public interest and protects the people of Hawaii and our economy by creating a fund to provide compensation to property

owners, renters, and insurers if there were to be a future catastrophic wildfire. We took the feedback we heard from legislators and key stakeholders last session and revised the bill to make it simpler. It achieves the following three key objectives that reasonably balance the interest of many:

1. **Protect claimants and the economy** by creating a speedy process that provides fair compensation for property damage should another catastrophic wildfire occur, while preserving rights to pursue litigation.
2. **Protect customers from cost increases caused by utilities' exposure to unlimited wildfire liability.** Simply put, unbounded wildfire liability risk results in bad credit and high cost of capital for the utility, which in turn leads to higher costs to customers. The bill also provides for a unique giveback feature based on future risk reductions.
3. **Preserve accountability for wildfire risk mitigation.** The bill ensures that utilities are held accountable to prudently protect the public from wildfire risk by conditioning their participation on having a Hawaii Public Utilities Commission (PUC)-accepted wildfire mitigation plan; and by making shareholders pay if the utility is found imprudent.

Protect claimants and the economy

This bill creates a streamlined process to offer settlement payments for property damages quickly after a catastrophic fire, without the need for a lengthy and uncertain litigation process. Claimants don't have to hire a lawyer and can keep all of the settlement proceeds, without giving one third or more to attorneys, much of which would likely leave the state. No claimant would have to prove any contributing utility legally

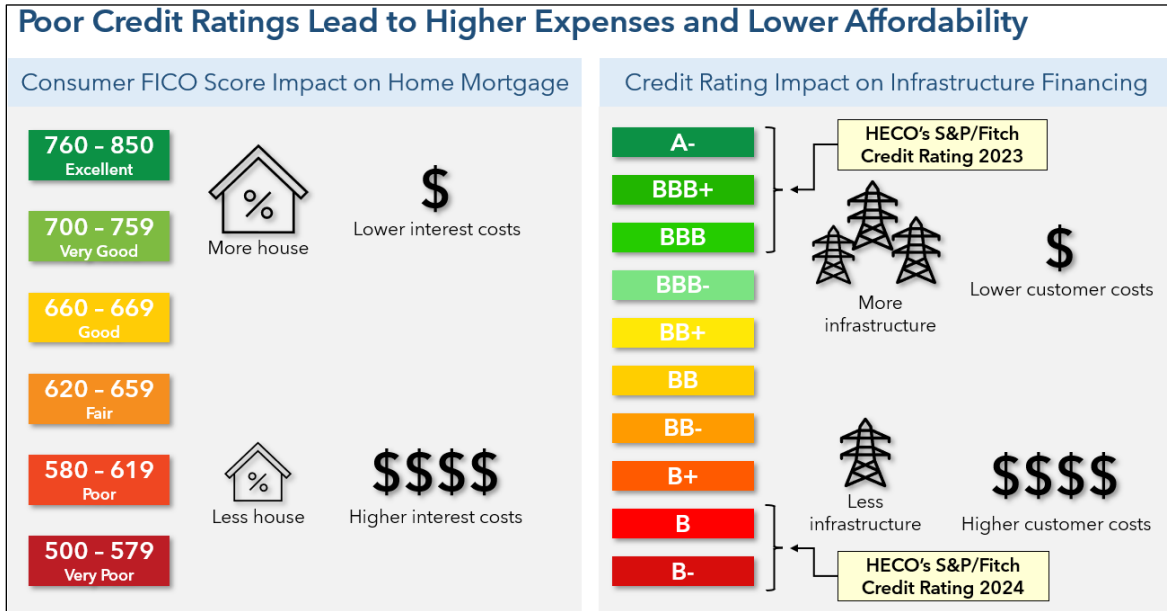
liable for a fire. But the bill preserves the right of any person to reject the fund's settlement offer and hire a lawyer to sue.

We note that in its January 2025 report, the Climate Advisory Team ("CAT") created by the Governor endorsed "efforts to establish a separate disaster mitigation fund that would provide benefits to Hawaii residents," including specifically for wildfires. (CAT Report at 36.) The Wildfire Recovery Fund meets the criteria recommended by the CAT for recovery legislation. (CAT Report, App'x F.)

The original version of the bill proposes that Hawaiian Electric's initial contribution to the fund be \$1 billion and be included in rates like all other costs related to providing essential utility services, including wildfire insurance premiums. To reduce the cost to customers, the bill proposes that this amount be securitized, which will result in a rate of about \$4 per month for the typical residential customer. In addition, the bill includes a unique refund mechanism described below. The original version of the bill also proposes a \$5 million shareholder-funded contribution for the start-up costs of the fund.

Protect customers from cost increases caused by utilities' exposure to unlimited wildfire liability

Creating forward-looking financial protection for potential future catastrophic wildfires is a key part of restoring Hawaiian Electric's credit rating. Utility credit rating and cost of capital are directly correlated to wildfire risk. Cost of capital is accounted for in the rate making process and directly impacts customer rates. As illustrated below, just as credit score affects consumers in buying a home, a utility's credit rating and cost of capital directly results in higher costs to customers, all else being equal.



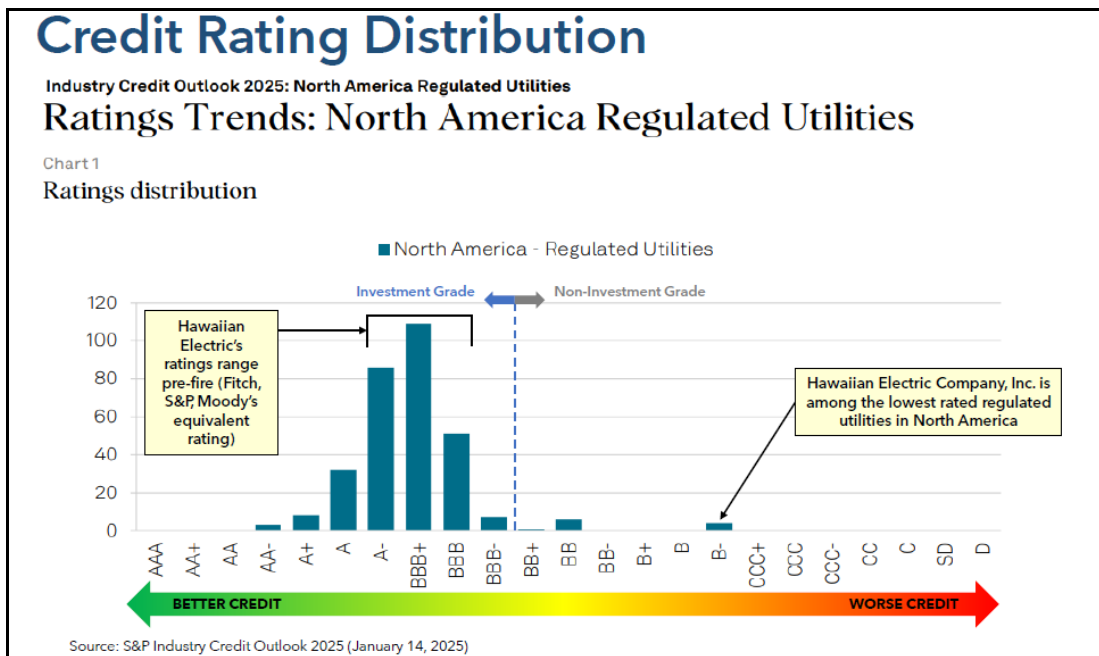
Addressing the problem of wildfire liability thus protects customers.

Wildfire risk exists, not due to any one entity, but as a result of a number of factors, including climate change and land management practices. Hawaiian Electric is taking vital steps to reduce wildfire risk. However, we can't completely eliminate that risk. And unlike an unregulated, private company, Hawaiian Electric has a duty to serve; it cannot decide to stop serving customers when the risk becomes too high in the environment in which it serves.

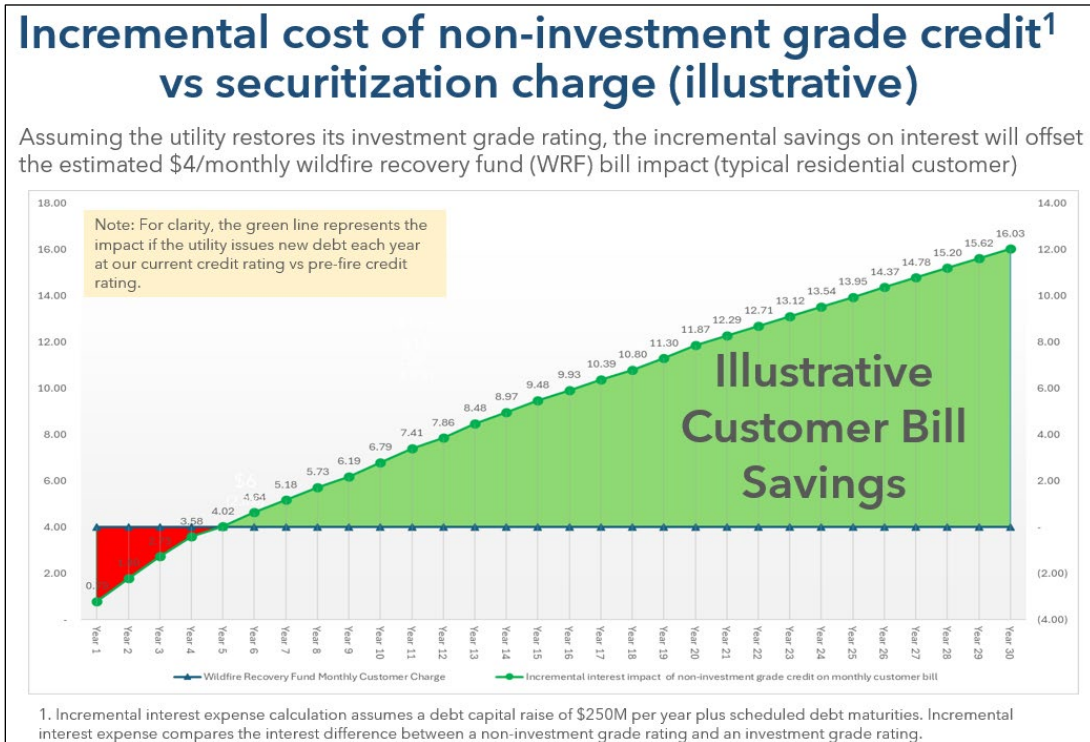
Without some financial protection in place to eliminate unlimited liability from future wildfires, regulated utilities like Hawaiian Electric risk losing access to capital on reasonable terms or at all, even as they need such capital to provide essential services and to make critical infrastructure investments in wildfire safety, resiliency, reliability, and the advancement of state energy policy.

To protect customers from these negative effects, the bill would reasonably mitigate the risk of unlimited financial liability from wildfires. It would do so, in part, by

means of an aggregate cap on payments through the administrative process and litigation for property damages only. An aggregate cap reflects a reasonable balance between the interests of those who suffer losses from a wildfire and the interests of everyone in obtaining reliable, safe, and affordable electricity. And it reflects the modern reality that even when a utility's facilities ignite a fire, whether it is immediately extinguished or spreads depends on many factors that are outside the utility's control. This bill is necessary for the utility to begin the stepwise process of restoring its credit rating to pre-fire levels.



Once the utilities are able to regain investment grade credit rating, the cost savings to customers can more than offset the cost of financing the \$1 billion dollar fund (estimated as ~\$4 for the typical residential customer), as illustrated below.



The original version of the bill also includes a unique refund provision. Over the past year, work done by hundreds of Hawaiian Electric employees has already reduced the potential for a fire ignited by our equipment by approximately 60 percent, according to a nationally recognized wildfire prevention specialist. The implementation of wildfire mitigation plans by contributor utilities is expected to further reduce risk over time. The bill provides that, in ten years, the Legislature will assess whether reduced risk means the fund can give money back to customers, with interest.

Preserve accountability

The original version of the bill will also help keep Hawaii safer from wildfires. The bill allows utilities to participate, so long as they demonstrate a commitment to Hawai'i wildfire safety by having a PUC-accepted wildfire mitigation plan. PUC acceptance and oversight ensures that utilities are held accountable to prudently protect the public from

wildfire risk. Furthermore, the bill requires utilities to replenish the fund from shareholders, should they be found to have acted imprudently in the event of a future fire.

Importantly, we emphasize that this bill does not apply to claims arising from the August 2023 event—it is a forward-looking bill. Hawaiian Electric has entered a global settlement to resolve those claims, including a commitment to make almost \$2 billion in payments funded by shareholders, not customers.

Shareholder Contributions

The HD2 version of HB 982 adjusts the initial contributions of investor-owned electric utilities (that is, Hawaiian Electric), so shareholders pay \$505 million, and ratepayers pay \$500 million. We understand the desire to minimize burdens on ratepayers, but this amendment will have exactly the opposite effect. It will make the fund inoperative - negating all of its benefits, including the benefit of reducing rates by supporting Hawaiian Electric's credit rating. And it is fair for customers to contribute the full amount into the fund, just as they contribute the full amount for insurance; shareholders should contribute only after it is determined that the company's imprudent actions led to a fire.

As a practical matter, Hawaiian Electric shareholders cannot contribute \$500 million to the fund. Our shareholders are already paying nearly \$2 billion to settle the Maui Fires cases, of which we still need to raise \$1.5 billion. And Hawaiian Electric shareholders will continue to face significant exposure if the bill as originally proposed is enacted, including replenishment of the fund if the PUC finds Hawaiian Electric's imprudence caused a future catastrophic wildfire, as well as claims that aren't covered

by the fund, such as wrongful death and personal injury, and claims for fires that destroy less than 500 structures.

We recognize that the California law required shareholders to contribute 50% of that fund. But Hawaii is not California, and Hawaiian Electric is not PG&E or Southern California Edison. The California fund was created after a series of catastrophic wildfires, where utilities were the only defendants. Our history is different. And Hawaiian Electric is far smaller than the California utilities. The California utilities could afford to make a shareholder contribution; we cannot. In California, moreover, wildfires were viewed as a utility problem only; in Hawaii, we have come to understand that wildfires are the result of many factors and call for whole-of-society solutions, which further supports our position that customers should contribute 100% of the fund, and shareholders should not contribute unless and until the utility is found to have acted imprudently.

The fund also provides substantial benefits to ratepayers—which is why it is reasonable that ratepayers are funding it. As noted above, it would help to lower Hawaiian Electric's cost of capital and bring down rates overall and help to support wildfire mitigation efforts and investments. And the fund operates as a kind of alternative wildfire insurance. Under longstanding regulatory precedent, if Hawaiian Electric simply sought to increase its wildfire insurance, the cost of premiums would reasonably be paid by ratepayers. Shareholders should not be penalized just because we have proposed an alternative structure that *better* protects ratepayers. Indeed, unlike regular insurance, ratepayers stand to receive a refund, with interest; the fund is

better for ratepayers than wildfire liability insurance, for which premiums are paid and never recovered.

Three final points about HD2 specifically. First, HD2 now specifies that a claimant may present a claim for damages to the administrative fund within four years of a wildfire. The original version allowed the executive director to establish this deadline. We are concerned that four years is too long, and will mean the executive director must either (a) delay payments to claimants; or (b) make settlement offers without knowing the full scope of damage claims. That could hurt a key benefit of the fund: to create a *speedy* process for providing money to claimants.

Second, the HD2 version of the bill eliminates indemnity and contribution claims for catastrophic wildfires, but also limits any non-contributor's liability for damages from a catastrophic wildfire only to their own proportion of fault (§§A9, A-10). These provisions prevent non-contributors, like Spectrum from using contribution claims to indirectly get access to the fund, while protecting them from any unfairness. HD2 limits §A-9 so it doesn't apply to "agreements entered into before the operation date." That carve-out could unfairly result in some non-contributors getting access to the fund without making initial contributions. And it is unnecessary: the law does not prohibit altering contracts, and there is nothing unlawful about the original version of §A-9.

Lastly, HD2 now includes a provision regarding executive compensation, which proposes that the PUC could prohibit any increase in compensation, including any bonuses for a period of time the PUC determines is appropriate. This provision is problematic and unnecessary because (1) such proposed controls could have

unintended consequences; and (2) the majority of executive compensation is in the form of incentive compensation which is paid by shareholders and not included in rates.

Conclusion

We believe this bill is in the public interest and protects the people of Hawaii, while reasonably balancing stakeholder interests. Solving the impacts of climate change on our State must be addressed collectively and collaboratively. Please pass HB 982, HD2, with the proposed amendments regarding shareholder contribution.



Hawai'i Island Chamber of Commerce

1321 Kino'ole Street - Hilo, Hawai'i 96720

Phone (808) 935-7178 - Fax (808) 961-4435 - Email exec@hicc.biz - www.hicc.biz

Executive Officer

Carla Kuo

2024-2025

Board of Directors

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Dean Fuke

Larisa Hamamoto

Bonnie Irwin

Daniel Kea

Tyson Klask

Geoli Ng

Lisa Shiroma

James Staub

Jase Takeya

Nimr Tamimi

Irene Yamanaka

Tracie Yoshimoto

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE HB 982 HD2 - Relating to Wildfires – IN SUPPORT

Thursday, February 20, 2025 12:00 PM

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce, representing over 300 businesses and individual members primarily on the East side of Hawai'i Island, I am testifying in support of the original version of HB 982 as it relates to shareholder contributions. We also encourage further refinement of certain aspects of the bill. Advancing this legislation will allow for continued discussion on its merits, and we respectfully request the passage of HB 982, HD2.

The original version of HB 982 presents a proactive solution for addressing potential catastrophic wildfires caused by regulated utility infrastructure. Given the increasing frequency of extreme weather events, this bill takes a forward-thinking approach to mitigating the economic risks associated with future wildfires. Similar measures are being considered in other states facing wildfire challenges, including Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico, and California. Additionally, recent wildfires in Los Angeles underscore the urgency of such legislation.

This bill is designed to ensure that resources are available for local families should a catastrophic wildfire occur. By establishing a wildfire recovery fund, it would provide a streamlined, efficient mechanism for victims to recover property damage claims without the expense and uncertainty of litigation. At the same time, it would help protect the financial stability of participating regulated utilities, whose economic health is vital to Hawai'i's overall economy.

We urge your support for HB 982, HD2, to allow for continued dialogue on this critical issue. Thank you for the opportunity to testify in support of this important initiative.

Sincerely,

Carla Kuo

Executive Officer

Hawai'i Island Chamber of Commerce



PLUMBERS AND FITTERS LOCAL 675
UNITED ASSOCIATION



**TESTIMONY BEFORE THE HOUSE
COMMITTEE ON FINANCE**

Representative Yamashita, Chair
Representative Takenouchi, Vice-Chair

Wednesday, February 20, 2025,
12:00 noon, Conference Room 308

Re: **Testimony in Support of HB982**
RELATING TO WILDFIRES

Aloha Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

The Plumbers & Fitters Local 675 was founded in 1919 and received its charter from the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States. Our members provide quality and reliable work on projects including, but not limited to, power plants, water treatment plants, oil refineries, hospitals, government and commercial buildings, hotels and luxury resorts, high-rise condominiums, and single-family homes in residential neighborhoods across the State.

The Plumbers & Fitters Local 675 **supports HB982**, which establishes the Wildfire Recovery Fund and allows securitization for electric utilities.

HB982 would ensure the availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

It is for the aforementioned reasons that we respectfully request you pass this measure. Mahalo for your time and consideration.

Respectfully,

Valentino Ceria

Business Manager / Financial Secretary - Treasurer
Plumbers and Fitters Local 675



HB-982-HD-2

Submitted on: 2/19/2025 11:53:59 AM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacqui Hoover Enter Bill or Measure and click Continue Examples: HB100 or SB123 (not case sensitive)	1) Hawaii Leeward Planning Conference (HLPC)	Support	Written Testimony Only

Comments:

Hawaii Leeward Planning Conference (HLPC) a member-based 501(c)3 established in 1974 to foster collaboration between public and private sectors for long-term planning for our communities, strongly supports the intent and purpose of HB982. Mahalo for this opportunity to speak in support.

February 19, 2025

RE: HB 982 HD2: Relating to Wildfires

Dear Chair Yamashita, Vice Chair Takenouchi, and members of the Committee on Finance,

Founded in 1968, the Kona-Kohala Chamber of Commerce works to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. With 460 member businesses and organizations, our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

The Kona-Kohala Chamber of Commerce supports HB 982 HD2: Relating to Wildfires.

The economic viability of our state's largest electric utility is essential to the business community and the quality of life for Hawai'i residents. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire.

HB 982 HD2 proposes a solution in the event of a future catastrophic wildfire that may be caused by a regulated utility. As other states challenged by wildfires have done, Hawai'i could establish a recovery fund to pay claims faster after such an event.

In addition, this bill would protect the creditworthiness of participating regulated utilities that contribute to the fund. It aims to rein in the financial uncertainty created by the risk of future catastrophic wildfires to help support Hawai'i's economy.

We request your support of HB 982, HD2, and its passage to allow for continued discussion on this very important initiative.

Sincerely,



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

HB-982-HD-2

Submitted on: 2/19/2025 12:01:15 PM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacqui Hoover	Hawaii Island Economic Development Board	Support	Written Testimony Only

Comments:

This testimony is submitted on behalf of Hawai‘i Island Economic Development Board (HIEDB) incorporated in 1984 as a member-based 501(c)3 to provide and promote private sector support and expertise for balanced growth in Hawai‘i County in partnership with Federal, State, County and private resources. We recognize the importance of maintaining a strong regulated utility as an integral part of Hawai‘i's economic resilience and sustainability and strongly support HB982.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Thursday, February 20, 2025 — 12:00 p.m.

Ulupono Initiative supports HB 982 HD 2, Relating to Wildfires.

Dear Chair Yamashita and Members of the Committee:

My name is Mariah Yoshizu, and I am the Government Affairs Associate 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 HB 982 HD 2, which establishes the Wildfire Recovery Fund (Fund) and allows securitization for electric utilities. Furthermore, Ulupono submits the following comments with recommendations on how to improve the bill's effectiveness.

Key Items for Inclusion and Consideration in HB 982 HD 2:

1. Reconsider the \$505 million required shareholder contribution in HB 982 HD 2, as it represents 25% to 33% of Hawaiian Electric's market capitalization—a significant financial burden that could limit the company's ability to invest in grid modernization and clean energy. Such a large obligation may deter investors, strain financial stability, and ultimately hinder the fund's broader goals. A more balanced approach, such as phasing in contributions or adjusting the amount, would better align accountability with long-term energy resilience.
2. Proactive wildfire mitigation and management best practices should be continuously monitored and implemented by utilities. Utilities should remain in constant consultation with Federal and State Agencies, including but not limited to, the State's Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW), the United States Forest Service, and the United States Department of Agriculture, Hawaiian Homelands, the Bishop Estate, and other State of Hawai'i and County agencies to adapt with prevention practices as the threat of wildfires increases.

Investing in a Sustainable Hawai'i

3. Utilities should be further incentivized to stay current on accepted standards of prevention and mitigation and are appropriate for inclusion in performance-based rate regulation (PBR). To the extent that the Public Utilities Commission (PUC) needs authorization or direction to implement Performance Incentive Mechanisms (PIMs) that lead to inclusion within the PBR framework that accomplish such prevention strategy, this legislation should explicitly delegate that authority to the PUC with an understanding that prevention is key.
4. The Fund should be limited to payment for and actual damage to real and personal property that are directly caused by wildfires. The legislation should also contemplate whether the Fund should cover, in a capped amount similar to other injury funds, bodily injury and loss of life as a way to both efficiently manage injury claims outside of the courts while also providing some level of financial certainty to a utility or other defined Contributor. This fund should not include payment for punitive damages, non-economic damages unless the Fund includes payment for bodily injury and loss of life, emotional damages, or other damages which may be speculative or subjective in valuation.
5. This bill should require utilities to update their wildfire mitigation plans through filing at the PUC at least every three (3) years unless a duration of more frequent updates is ordered by the PUC. An annual filing and demonstration of compliance could also be a way for a utility to obtain a rebuttable presumption as to prudence.
6. The Fund should utilize securitized debt funding guaranteed by non-bypassable charges on monthly bills. The legislation should either establish the percentage contribution assigned to each class of customer (residential, commercial, and industrial) or instruct the PUC or a Master appointed by the Fund to hold an administrative proceeding to establish the allocation of contribution by customer class.
7. The Fund legislation should address the interests to include the protection of the citizens of the State through fair and equitable compensation for actual damages caused by wildfires, preserving the natural resources located in the State, protect both real property and personal property, as well as preserve financial integrity of the electric utilities of the State.
8. Upon ratification, it should be required that a Request for Proposals (RFP) for qualified third-party administrators with previous experience in management of a catastrophe fund shall be issued and the Governor shall choose the most qualified entity to contract with to administer the Fund.

9. The Fund should also explore other products or mechanisms, including the purchase of reinsurance from private entities, as a means of mitigating such risk.

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

Ulupono applauds the Legislature's efforts to utilize unique methods to finance much-needed investments that will mitigate customer impacts to the extent possible.

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu
Government Affairs Associate



91-111 Kalaeloa Boulevard, Kapolei HI 96707 *** 808-682-5288 *** www.kalaeloapartners.com

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION**

HB 982

Relating to Wildfires

Tuesday, February 4, 2025
9:00 AM

State Capitol, Conference Room 325

Submitted by Kalaeloa Partners LP

Dear Chair Lowen, Vice Chair Perruso and Members of the Committee,

On behalf of Kalaeloa Partners LP, I am testifying in support of HB 982, Relating to Wildfires. **HB 982** is proposing a future solution in the event of another catastrophic wildfire that could be caused by a contributor utility's infrastructure. Given various factors affecting our environment, including extreme weather events, HB 982 is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if it does, especially for our local

families. This bill would create a future wildfire recovery fund for potential victims and provide Hawaii families with an efficient option for recovering property damage claims from a future catastrophic wildfire without the expense and uncertainty of going to court. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We support HB 982 and request its passage. Thank you for the opportunity to share support.

A handwritten signature in black ink, appearing to read "H. R. Tobler". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Hans R. Tobler

General Manager, Kalaeloa Partners LP



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

COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair

DATE: Thursday, February 20, 2025
TIME: 12:00 p.m.
PLACE: Conference Room 308

RE: HB 982 HD1 RELATING TO WILDFIRES.

Comments

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 55 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.

Catastrophic wildfire means a wildfire that
(a) **kills zillions of people (FALSE)**
(b) **destroys lots of buildings (TRUE)**

Catastrophic refers to property not people

Mahalo, Henry Curtis, Executive Director



HAWAII FIRE FIGHTERS ASSOCIATION

INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1463, AFL-CIO
1018 PALM DRIVE, HONOLULU, HAWAII 96814-1929
TELEPHONE (808) 949-1566 FAX: (808) 952-6003
WEBSITE: www.hawaii firefighters.org

HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2025
February 20, 2025

Committee on Finance

Testimony by
Hawaii Fire Fighters Association

H.B. No. 982
H.D. 2

RELATING TO WILDFIRES

EEP, CPC/JHA, FIN

Dear Chair Yamashita, Vice Chair Takenouchi, and members of the committee,

The Hawaii Fire Fighters Association (HFFA), Local 1463, IAFF, AFL-CIO, represents more than 2,000 professional active-duty and 1,000 retired fire fighters throughout the State. The HFFA, on behalf of all our members, supports H.B. No. 982, as originally introduced, as it relates to the shareholder contribution and encourages further work on certain aspects of the bill. Moving this bill forward will allow continued discussion on the merits of the bill, therefore we are requesting the passage of H.B. No. 982, HD2.

The original version of H.B. No. 982 proposes a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given numerous factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. Like other states challenged by wildfires have done or are in the process of doing, Hawaii needs to establish a recovery fund that can pay claims faster after a future catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. This year alone the legislatures of Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico, and California are considering similar legislation to address wildfire risk and its impact on electric utilities. Additionally, recent fires in Los Angeles magnify the importance of such legislation.

This bill is being proposed to ensure the availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims with an efficient option for recovering property damage claims from a

future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

We request your support of H.B. No. 982, HD2 and its passage to allow for continued discussion on this particularly important initiative.



Japanese Chamber of Commerce & Industry of Hawai'i

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE SUPPORT OF HB 982, HD2 - Relating to Wildfires

Thursday, February 20, 2025 - 12:00 PM
State Capitol, Conference Room 308

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

RE: HB982 Relating to Wildfires

Aloha e Chair Matayoshi, Chair Tarnas, and Honorable Members of the Committees:

My name is Ka'iu Kimura, and I am the President of the Japanese Chamber of Commerce and Industry of Hawaii. On behalf of our organization, I submit this testimony in strong support of HB 982, HD2, which seeks to establish a Wildfire Recovery Fund and implement securitization measures to mitigate financial risks associated with wildfire-related disasters.

This legislation is a necessary step in safeguarding our communities and economy from the increasing threat of wildfires, particularly those exacerbated by utility infrastructure. With extreme weather events becoming more frequent, it is imperative that Hawaii establish a proactive mechanism to provide rapid financial assistance to affected individuals while maintaining economic stability.

As seen in other wildfire-prone states, a dedicated recovery fund enables faster claim processing and relieves victims from the lengthy and uncertain process of litigation. Several states, including Wyoming, South Dakota, Colorado, Montana, Oregon, New Mexico, and California, are pursuing similar legislative measures to address the financial risks posed by wildfires and their impact on electric utilities. Hawaii must take similar action to ensure preparedness for potential future disasters.

While we acknowledge concerns regarding the cost burden on ratepayers, we believe that a well-structured and efficiently managed wildfire recovery fund can stabilize the private insurance market, ultimately mitigating financial volatility and reducing the overall cost of living. Furthermore, ensuring the financial stability of participating regulated utilities is critical to maintaining a reliable energy infrastructure, which is a cornerstone of Hawaii's economic resilience.

The Japanese Chamber of Commerce and Industry of Hawaii is dedicated to fostering a robust economic environment that supports local businesses and promotes long-term sustainability. HB 982, HD2 represents a vital investment in our state's ability to respond to and recover from wildfire-related disasters while safeguarding both our residents and economy.

We respectfully urge your support for HB 982, HD2, and its passage to facilitate continued discussion on this critical initiative. Mahalo for the opportunity to provide testimony.

Sincerely,

Ka'iu Kimura
President

120 Pauahi Street, Suite 205 • Hilo, Hawai'i 96720
Telephone: 808-934-0177
email: jccih@jccih.org • www.jccih.org



THIRTY-THIRD LEGISLATURE, 2025, Committee on Finance

HEARING DATE: Thursday, February 20, 2025

TIME: 12:00 p.m.

PLACE: Room 308

RE: House Bill 982 HD2 Relating to Wildfires- IN STRONG SUPPORT with AMENDMENTS

Aloha Honorable Chair Yamashita, Vice-Chair Takenouchi, and Committee Members;

The International Brotherhood of Electrical Workers Local 1260 (IBEW1260) would like to offer the following testimony in **STRONG SUPPORT of House Bill 982 HD2, but respectfully requests that the language found in section A-3(b)(1) and (2) of the bill regarding initial contributions to the fund be amended to reflect the contribution amounts found in the original HB982.**

IBEW1260, is comprised of approximately 3,000 members throughout Hawaii and Guam and consists of a diverse and highly-skilled workforce that supports the electric utility infrastructure across our state as well as government service contracts and broadcasting. It's our duty and priority to serve and protect the well-being of our members, but beyond that, it is incumbent upon all of us to serve and protect the well-being of our island home.

HB982 HD2 is a positive step towards mitigating risk and providing access to capital at lower costs that help to fulfill government-imposed mandates to improve overall reliability and resiliency, and achieve Hawai'i's renewable portfolio standard goals. Recent local and national events have magnified the tremendous impact catastrophic wildfires can have on a community. Additionally, without proactive policies such as HB982 HD2, regulated electric utilities that may be found to have contributed to such future catastrophic wildfire events can face insurmountable financial hardship¹. Such challenges not only impact the utility itself but more importantly, the communities they serve.

Stable, reliable, and resilient energy is an extremely critical component of a community's well-being. HB982 HD2 is a proactive approach to mitigate potential impacts that a future catastrophic wildfire may have on a community and its electric utility. This measure also provides an expedited process by which those impacted, can seek fair and efficient compensation for property damage due to a catastrophic wildfire.

The health and viability of Hawaii's electric utilities are critical to IBEW1260 and the thousands of members and their families throughout the state that we represent. Our members take great pride in the work they do to ensure that Hawaii's electrical infrastructure is the best that it can be. Without tools like these to minimize liability and increase the capacity to obtain financing at lower interest rates, the electric utility and ratepayers will likely pay higher rates than those that may result from this bill.

HB982 HD2 is a proactive and forward-looking measure that we believe will result in a net benefit to ratepayers and provide relief in the event of another catastrophic wildfire. Mahalo for the opportunity to testify on this measure.

¹ [What the Eaton fire could mean for Edison's bottom line - Los Angeles Times, Caroline Petrow-Cohen, Feb. 11, 2025](#)

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

HOUSE COMMITTEE ON FINANCE
February 20, 2025, 12 PM
Conference Room 308, Hawai'i State Capitol

COMMENTS FOR:

H.B. 982 HD2 – RELATING TO WILDFIRES

To: Rep. Kyle Yamashita, Chair
Rep. Jenna Takenouchi, Vice Chair
Members of the Committee

Re: Testimony providing comments for HB982 HD2, with requested amendments

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

Thank you for the opportunity to provide comments on HB982 HD2, which aims to establish the Wildfire Recovery Fund and provide for securitization for electric utilities. Hawaiian Telcom hopes never again to experience devastation like Maui's wildfires and appreciates the legislative intent of this measure to create a Hawai'i Wildfire Relief Fund for potential victims and provide for those affected by a future catastrophic wildfire. Risk mitigation is in the state's best interest and vital for Hawaii's wildfire readiness.

Hawaiian Telcom's comments are focused on Chapter A of this measure, which proposes establishing a state wildfire recovery fund to help mitigate the financial impacts of future catastrophic wildfires on public utilities, ensure an efficient claims process, and provide timely compensation for those affected. Hawaiian Telcom takes no position on Chapter B of this measure.

Hawaiian Telcom appreciates your committee's work and the previous subject matter committees' deliberations over this measure and wishes to comment and offer amendments to help address the high potential of unintended adverse consequences in this measure as currently construed. Thus, we urge that further changes, as proposed by Charter Communications in its testimony on HB982, HD1, Relating to Wildfires, filed on February 13, 2025, are warranted to ensure that the Wildfire Recovery Fund is reasonably balanced and to consider the interests of all parties affected by future catastrophic events:

- 1) Maintains a comprehensive process to efficiently resolve wildfire litigation claims and avoid fragmented litigation and resolution.
 - a) A lack of a comprehensive approach can result in more delays and costs for claimants and protracted legal deliberations that impose an undue burden on our local courts.
- 2) Provides that contractual rights of third parties to seek indemnity under their pre-existing agreements with such contributors are covered in Section A-9(b).
 - a) As suggested by the Charter, HT agrees that the bill requires further amendment to avoid abrogating indemnity obligations in existing contracts with HT and other parties.
 - b) This ensures that essential telecommunications and video services are maintained under the terms of the tariffs and contract and franchise obligations.
 - c) Without this amendment, the opportunity to provide critical broadband, voice, and video services under pole attachment agreements with electric utilities would be compromised.
- 3) Adds definitions for “Economic Damages” and “Noneconomic Damages” and amends definitions for “Qualified Damages” and “Qualified Claimant.”

Hawaiian Telcom, in principle, agrees with Charter Communications' other proposed amendments. In addition, the measure should expressly provide that nothing in the bill overrides or abrogates any term, condition, obligation, or limitation in any tariff.

Hawaiian Telcom appreciates the opportunity to offer comments and respectfully urges your consideration of the requested changes to HB982 HD2.

February 20, 2025



Working together for Kapolei

House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair

Thursday, February 20, 2025
12:00 p.m. Conference Room #308 and via videoconference

RE: HB982 HD2 – Relating to Wildfires

Dear Chair Yamashita, Vice Chair Takenouchi, members of the Committees,

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

The Kapolei Chamber of Commerce **supports the intent of HB982** which creates a future Hawaii wildfire recovery fund and provides securitization and protection devices for participating regulated utilities that contribute to the fund.

The devastation of the Maui wildfires has touched all of us and while we hope that nothing like that happens again anywhere in our State, we must be vigilant and be prepared in the case that it does. This bill would create a future wildfire recovery fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire. The impact on the infrastructure is a reality that is very real. Having a funding mechanism that will help protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund is a solution we must seek now.

There are portions of West O'ahu that are specifically vulnerable to devastating wildfire in a very similar manor that West Maui was impacted, and we continue to prepare our West O'ahu community including preparation, mitigation and the consideration of funding mechanisms like this measure provides.

Thank you for this opportunity to provide testimony.

Respectfully,

Kiran Polk
Executive Director & CEO

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Kelsey Ito

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Kelsey Ito and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Alex Dale

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Alex Dale and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by FABIO BYLAARDT

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is FABIO BYLAARDT and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Kuhea Asiu

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Kuhea Asiu and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

Sincerely,



TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Tammy Takitani

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Tammy Takitani and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HB 982 HD2 Relating to Wildfires

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Darren Ishimura

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

I am testifying in **support of the original version** of HB 982. The amendment in HD2 that proposes a requirement for the utility to provide a significant amount to the recovery fund would be detrimental to the creation of a viable fund. This contribution by the utility is infeasible and the utility's financial status would make it difficult for the utility to gain access to such funding.

Given the increasing occurrence of extreme weather events, the State of Hawai'i needs to proactively address the economic threat of devastating conflagrations. This bill is in the public's interest by (1) providing potential victims with an efficient option for recovering property damage claims without the expense and uncertainty of protracted litigation and (2) protecting the creditworthiness of regulated electric utilities which lowers the cost of capital for utility investments to the benefit of customers.

The economic viability and security of our State requires financially healthy electric utilities. By reducing the financial uncertainty created by the liability risk from future catastrophic wildfires, the original version of HB 982 would help Hawaiian Electric – one of the State's largest employers deeply rooted in its communities – make the necessary investments to reliably and safely serve its customers and ensure the State's prosperity.

Please pass HB 982 HD2 to allow further discussion, including reconsideration of the proposed exceedingly high contribution to be paid by the utility.

Thank you for the opportunity to share my comments.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Kristen Okinaka

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Kristen Okinaka and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by William Chang

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is William Chang and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Dan V. Giovanni

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Dan V. Giovanni and I am a former employee of Hawaiian Electric and was employed there for over 15 years. Having worked for the company as Department Manager and Vice President, I am extremely proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in strong support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Karen Fujio

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Karen Fujio and I am a retired employee of Hawaiian Electric and was employed there for over 27 years. Having worked for the company as a(n) Benefits Manager, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Thurston Wong

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Thurston Wong and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Dawn Wong

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Dawn Wong and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Kurt Tsue

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Kurt Tsue and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by: Sharon Suzuki

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Sharon Suzuki, and I am a retired employee of Hawaiian Electric and was employed there for over 28 years. Having worked for the company in various positions, and most recently as president, Maui County and Hawaii Island Utilities, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Mathew McNeff

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Mathew McNeff and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Patsy Nanbu

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Patsy Nanbu and I am a retired employee of Hawaiian Electric. Having worked for the company in the finance and regulatory areas for over 35 years, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Ken Fong

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Ken Fong and I am a retired employee of Hawaiian Electric and was employed there for over 28 years. Having worked for the company in charge of the Transmission and Distribution Planning Department, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Tayne Sekimura

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Tayne Sekimura and I am a retired employee of Hawaiian Electric and was employed there for over 32 years. Having worked for the company as its Chief Financial Officer, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HB 982 HD2 Relating to Wildfires

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Lorie Nagata

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Lorie Nagata and I am a retiree of Hawaiian Electric and was employed there for over 36 years. Having worked for the company in the accounting and finance areas, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii. In addition, as its former Treasurer I understand and appreciate the value of a credit worthy electric utility and the impact its credit has on its access to funds and associated costs.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Teri Theuriet

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Teri Theuriet, and I am a kama‘aina, born and raised in Kāne‘ohe, currently living in Kuli‘ou‘ou. I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company’s financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility’s infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai‘i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Karen Hirota

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Karen Hirota and I am a retired employee of Hawaiian Electric and was employed there for 20 years. Having worked for the company as an Executive Assistant, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

HB-982-HD-2

Submitted on: 2/18/2025 8:39:24 PM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michaellyn Burke	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee, My name is Mikey Burke and I am submitting written testimony in support of the **original version of HB 982**. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court. We are seeing this need play out in our own courts and if a fund like this had already existed, homeowners would be well on their way to rebuilding instead of still fighting with insurance companies and FEMA housing.

While I hope nothing like what happened to us in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. **I urge you to allow the bill to pass today so discussion can continue on this very important initiative.** Thank you for the opportunity to share support.

Mahalo for your attention,

Mikey Burke

Lahaina, Maui

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Candice Lucas

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Candice Lucas, and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by John DiGiovanni

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is John DiGiovanni and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Joni Fukuji

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Joni Fukuji and I am a retired employee of Hawaiian Electric and was employed there for over 24 years. Having worked for the company as a(n) Executive Secretary, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HB 982 HD2 Relating to Wildfires

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Everett Lacro

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Everett Lacro and I am a retired employee of Hawaiian Electric and was employed there for over 26 years. I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Chad Asato

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Chad Asato and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Lorrie Iwanaga

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Lorrie Iwanaga and I am a retired employee of Hawaiian Electric and was employed there for over 32 years. Having worked for the company as an executive assistant, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Gary Hanaoka

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Gary Hanaoka and I am a retired employee of Hawaiian Electric and was employed there for over 11 years. Having worked for the company as a(n) System Administrator, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Lyanne Hiromoto

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Lyanne Hiromoto and I am a retired employee of Hawaiian Electric and was employed there for over 32 years. I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Grant Imamura

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Grant Imamura and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by David Kurohara

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is David Kurohara and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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HB-982-HD-2

Submitted on: 2/19/2025 7:30:33 AM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lori Tsue	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Lori Tsue and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company’s financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Michelle Chang

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Michelle Chang and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Shelley Takasato

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Shelley Takasato and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HB 982 HD2 Relating to Wildfires

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Lyle Matsunaga

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Lyle Matsunaga and I live in Wailuku on Maui and I am a retired employee of Maui Electric and Hawaiian Electric, where I was employed for over 19 years. Having worked for the companies in accounting and finance positions, I am proud to have been a part of the very few remaining local companies in the State, led by local management, run by leadership from Hawaii.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Leslie Malasa

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Leslie Malasa, born and raised in Aiea and currently resides in Makakilo. I am testifying **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Mahalo for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Ken Aramaki

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Ken Aramaki and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

HB-982-HD-2

Submitted on: 2/19/2025 8:57:01 AM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Eric Enos	Individual	Support	Written Testimony Only

Comments:

Aloha chair, vice chair and committee members,

I kako‘o the contents of HB 982, HD2 even though it concerns us, specifically the amendment that requires Hawaiian Electric to contribute \$5 billion dollars to the fund, however, we would like to continue moving the bill forward to ensure continued discussion and improvements to the bill. The fund in its original version requires a \$5 million contribution by the company and will: 1) to provide compensation to those who suffer property loss in a future catastrophic wildfire involving utility equipment; (2) to protect the financial health of Hawaii's utilities; and (3) to encourage and support long-term wildfire mitigation efforts to make Hawai'i safer. We would prefer that the bill revert back to its original version where the fund's initial contribution of \$1 billion is acquired through securitization. Given Hawaiian Electric's current credit rating, securitization is the most cost-effective way to finance this fund, and most importantly, would have the least impact to customers versus other modes of financing.

Mahalo piha,

Eric Enos, Executive Director, Ka‘ala Farm

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Kristin Nakamura

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Kristin Nakamura and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, Feb. 20, 2025
Noon
State Capitol, Conference Room 308

Submitted by Michelle Orian-Lau

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Michelle Orian-Lau and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

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I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

HB 982 HD2 Relating to Wildfires

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Kenneth Chan

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Kenneth Chan and I am submitting written testimony *in support of the original version* of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

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While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Robert Young

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Robert Young and I am a retiree of Hawaiian Electric and was employed there for over 40 years. Having worked for the company as an electrical engineer, I am proud to have been a part one of a few remaining local companies in the State.

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of a future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic health of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Submitted by Leslie Kwock

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Leslie Kwock and I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the creation of a viable fund, since the company's financial status would make it difficult for the utility to get access to such funding.

The original version of HB 982 proposed a solution in the event of any future catastrophic wildfire that could be caused by a regulated utility's infrastructure. Given various factors affecting our environment, including extreme weather events, this bill is a proactive approach to address the economic threat of any future catastrophic wildfires. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to people without the expense and uncertainty of going to court.

While I hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure availability of resources for our local families should the unthinkable occur. It would create a future wildfire recovery fund for potential victims that could provide Hawai'i families with an efficient option for recovering property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state's largest electric utility is important to the economic viability of our state. This bill's purpose is to reduce the financial uncertainty created by the risk of future catastrophic wildfires and to help support Hawai'i's economy by keeping local companies for local talent including for any future generations, and being able to continue to operate and exist in Hawai'i for Hawai'i and not for any external mainland objectives.

I wholeheartedly support HB 982 HD2 and request that the committee reconsider the contributions being proposed to be paid by the utility. I humbly request you to allow the bill to pass today so discussion can continue this very important initiative.

Thank you for your time and the opportunity to share my support.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

**HB 982 HD2
Relating to Wildfires**

Thursday, February 20, 2025
12:00 PM
State Capitol, Conference Room 308

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

I am submitting written testimony **in support of the original version** of HB 982. The amendment in the HD2 version of the bill and its proposed requirement for the utility to provide a significant amount to the Fund would be detrimental to the very creation of a viable fund. The company's financial status would make it very difficult for the utility to get access to such funding.

The original version of HB 982 proposed a proactive approach to address the economic threat of a future catastrophic wildfire. As other states vulnerable to wildfires have done, Hawai'i needs to establish a recovery fund that can pay claims faster after a catastrophic wildfire, providing an option to victims who have suffered losses without the expense and uncertainty of going to court.

Such a fund could provide our local families with an efficient option for compensation for property damage claims from a future catastrophic wildfire. In addition, this bill would protect the creditworthiness of the participating regulated utilities that contribute to the fund. The economic viability of our state is directly tied to the economic viability of our state's largest electric utility, one of the very few remaining local companies with leadership from Hawaii. This bill's purpose is to reduce the financial uncertainty for local families and regulated utilities created by the risk of future catastrophic wildfires and to help support Hawaii's economy.

I support the purpose of HB 982 HD2 and request that the committee reconsider the proposed contributions to be paid by the utility. I urge you to allow the bill to pass today so discussion can continue on this very important initiative. Thank you for the opportunity to share support.

Lynne Unemori
Hawaiian Electric retiree

HB-982-HD-2

Submitted on: 2/20/2025 7:36:34 AM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lyle HIromoto	Individual	Support	Written Testimony Only

Comments:

i support.