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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection and Commerce
Thursday, February 6, 2020
2:00 p.m.
State Capitol, Conference Room 329**

**On the following measure:
H.B. 2186, H.D. 1, RELATING TO THE UNDERGROUND CONSTRUCTION OF
HIGH-VOLTAGE ELECTRIC TRANSMISSION LINES**

Chair Takumi and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to exempt projects to place electric transmission infrastructure underground from the Public Utilities Commission (Commission) approval process if certain conditions are met.

The Department supports the intent of H.B. 2186, H.D. 1 to reduce the workload of the Commission and the Department for electric transmission projects that may be uncontroversial and that are subject to conditions set forth in this bill. The amendments adopted in H.D. 1 would reduce the need to review projects that would not adversely affect customers, and this, in turn, would allow the Department and Commission to better focus its resources on other proceedings that need more attention. At the same

time, the Commission could retain oversight and require justification for an underground project, if necessary.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

February 6, 2020
2:00 p.m.

Chair Takumi and Members of the Committee:

MEASURE: H.B. No. 2186 HD1

TITLE: RELATING TO THE UNDERGROUND CONSTRUCTION OF HIGH-VOLTAGE ELECTRIC TRANSMISSION LINES.

DESCRIPTION: Eliminates the requirement for a public utility to seek PUC approval for the underground construction of high-voltage electric transmission lines if certain conditions are met. Takes effect on 7/1/2050. (HD1)

POSITION:

The Public Utilities Commission offers the following comments for consideration.

COMMENTS:

The Commission supports the intent of this measure to streamline the regulatory process while maintaining appropriate oversight of public utility operations and investments. The Commission currently reviews all proposals for the construction of high-voltage transmission lines, in order to determine whether transmission line systems should be built above or below ground. As part of that review, the Commission evaluates whether the benefits of undergrounding as opposed to overhead construction justify the total cost to the utility's ratepayers. It is often significantly more expensive to build transmission lines below ground than above ground. When the utility is paying these costs, the burden is passed onto ratepayers.

The Commission notes that the changes proposed in this bill would only exempt public utilities from the requirement to obtain Commission approval of constructing underground

high-voltage transmission line systems when the cost of undergrounding is paid for by “an entity other than the public utility.” Under the current statutory language, public utilities must obtain approval for constructing underground transmission systems even when an agency, developer, or other third party is responsible for the cost of undergrounding.

However, if an entity other than a public utility is responsible for the incremental cost of undergrounding, there is no direct ratepayer burden to weigh against the benefits of undergrounding. Yet under the current language, a public utility is still required to obtain Commission review and approval in such a case.

The Commission views this measure as an effort to make the approval process for underground transmission line systems more efficient when there is no additional cost to ratepayers.

Thank you for the opportunity to testify on this measure.

HB-2186-HD-1

Submitted on: 2/5/2020 8:18:10 AM

Testimony for CPC on 2/6/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Carney	EAH Housing	Support	No

Comments:

As a 51 yr old nonprofit developer and manager of low income rental housing, EAH Housing, is in strong support of HB2186 HD1 as it will help to solve our housing crisis in expediting the delivery of low-income rental housing for those most in need. Please give this Bill your unanimous support.

Thank you,

Kevin R. Carney, (PB 16444) NAHP-E,

Vice President, Hawaii

EAH Housing



**Hawaiian
Electric**

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE**

**H.B. 2186, HD1
Relating to the Underground Construction of
High-Voltage Electrical Transmission Lines**

Thursday, February 6, 2020
2:00 P.M., Agenda Item # 6
State Capitol, Conference Room 329

Kerstan Wong
Director, Transmission and Distribution Engineering
Hawaiian Electric Company

Dear Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

My name is Kerstan Wong and I am testifying on behalf of Hawaiian Electric Company, Inc. (Hawaiian Electric) **in support** of H.B. 2186, HD1, Relating to the Underground Construction of High Voltage Electrical Transmission Lines.

Hawaiian Electric supports the intent of this bill which is to streamline the regulatory process while maintaining appropriate oversight by the Public Utilities Commission. This bill proposes that in cases where the entire cost to underground a new 46,000 volt or greater electric transmission line is paid for by an entity other than the public utility, this bill will require a report to be submitted in lieu of an application to the Public Utilities Commission requesting formal approval. This will save the Public Utilities Commission and the Department of Commerce and Consumer Affairs time and resources and still provide necessary cost safeguards for Hawaiian Electric customers.

Accordingly, the Hawaiian Electric Company supports H.B. 2186, HD1. Thank you for the opportunity to testify.



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Representative Roy Takumi, Chair
Representative Linda Ichiyama, Vice Chair
Committee on Consumer Protection & Commerce

**RE: HB 2186 HD1 – Relating to the Underground Construction of High-Voltage Electric Transmission Lines – IN SUPPORT
February 6, 2020; 2:00 p.m.; Conference Room 329**

Aloha Chair Takumi, Vice Chair Ichiyama and members of the Committee,

Hunt is in support of HB 2186 HD1, which eliminates the requirement for a public utility to seek PUC approval for the underground construction of high-voltage electric transmission lines if certain conditions are met.

This measure will help to streamline the process for any agency or developer pursuing the construction of an underground high voltage transmission line system. Modifying the current process will enable developers, such as ourselves, to help deliver critical affordable housing projects.

Thank you for the opportunity to testify in support of HB 2186 HD1.

Steve Colon
President, Development, Hawaii Region

