

Honolulu, Hawaii

February 12, 2015

RE: H.B. No. 619  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 619 entitled:

"A BILL FOR AN ACT RELATING TO THE MERGER, ACQUISITION, AND CONSOLIDATION OF ELECTRIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to safeguard the public interest when a proposed merger, acquisition, or consolidation of an electric utility is considered, by:

- (1) Requiring the Public Utilities Commission to evaluate a proposed merger, acquisition, or consolidation;
- (2) Establishing standards and criteria for the Public Utilities Commission to conduct its evaluation; and
- (3) Providing for public participation in the evaluation process.

The Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Alliance for Solar Choice, Friends of Lanai, Puna Pono Alliance, a member of the Maui County Council, and numerous concerned individuals supported this measure. Life of the Land supported the measure with amendments. Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and NextEra Energy opposed the measure. The Public Utilities Commission, Division of Consumer Advocacy of the Department of Commerce and



Consumer Affairs, and a few concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that upon filing of an application for approval of a proposed merger, acquisition, or consolidation of electric utilities, the Public Utilities Commission shall open a docket for the Commission and the Division of Consumer Advocacy to evaluate specific factors to determine the fitness and ability of the applicant and whether the proposal is reasonable and in the public interest;
- (2) Requiring, the Public Utilities Commission, in so far as practicable, to hold a public hearing on such applications in each affected service testimony;
- (3) Removing the requirement that the Public Utilities Commission grant the intervention of any party requested by the President of the Senate and the Speaker of the House of Representatives; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that this measure seeks to clarify existing statutory authority to ensure the public benefit in any proposed merger, acquisition, or consolidation of an electric utility,

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 619, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



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CHRIS LEE, Chair



