

STAND. COM. REP. NO. 2744

Honolulu, Hawaii
MAR 02 2018

RE: S.B. No. 2939
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2939, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to protect consumers by proactively ensuring that the existing utility business and regulatory model will be updated for the twenty-first century by requiring that electric utility rates be considered just and reasonable only if the rates are derived from a performance-based model for determining utility revenues.

Your Committee received written comments in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Sierra Club of Hawaii.

Your Committee received written comments in opposition to this measure from the Hawaiian Electric Company, Inc.

Your Committee received written comments on this measure from the Public Utilities Commission.

Your Committee finds that the existing regulatory compact misaligns the interests of customers and utilities because it may result in a bias toward expending utility capital on utility-owned projects that may displace more efficient or cost-effective



options, such as distributed energy resources owned by customers or projects implemented by independent third parties. Your Committee believes that the benchmarks and performance mechanisms established in this measure will promote decisions and strategies that will maximize public benefit, reduce ratepayer risk, and meet Hawaii's energy goals.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2939, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2939, S.D. 2.

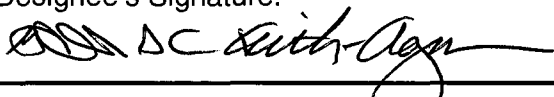
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2939, SDI	CPH, WAM	2/20/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	10	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes