

STAND. COM. REP. NO.

509

Honolulu, Hawaii

FEB 19

, 2021

RE: H.B. No. 561

H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 561, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission to determine whether analysis of the effect of the State's reliance on fossil fuels is necessary for proceedings involving water, wastewater, or telecommunications providers on an individual basis; and
- (2) Provide that the analysis is not required for an electric or a gas utility's routine system replacements or determinations that do not directly pertain to capital improvements or operations.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Public Utilities Commission; and Hawaiian Electric Company, Inc.

Your Committee finds that the Public Utilities Commission is statutorily required to consider the effect of the State's reliance on fossil fuels on price volatility, export of funds for

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fuel imports, fuel supply reliability risk, and greenhouse gas emission when the Commission makes determinations on the reasonableness of the costs of utility system capital improvements and operations. This analysis promotes the State's goal in achieving its carbon negative target by 2045 and helps to mitigate the damaging effects of sea level rise due to greenhouse gas emission. However, your Committee further finds that this analysis may not be relevant in many circumstances for certain public utilities and this analysis should therefore be done only when appropriate. This measure will allow the Commission to operate more efficiently, while still fulfilling its statutory duty.

Your Committee has amended this measure by:

- (1) Clarifying provisions relating to the Public Utilities Commission's analysis in determining the reasonableness of the costs of utility system capital improvements and operations to avoid excluding indirect costs from statutory guidance; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 561, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 561, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature **HSCR 509**

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 561 HD 1	Committee Referral: EEP, CPC, FIN	Date: 2/16/2021		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Lisa Kitagawa</i></u>				
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