

STAND. COM. REP. NO. 1136

Honolulu, Hawaii

**MAR 25 2021**

RE: H.B. No. 78  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 78, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNDERGROUND CONSTRUCTION OF HIGH-VOLTAGE ELECTRIC TRANSMISSION LINES,"

begs leave to report as follows:

The purpose and intent of this measure is to eliminate the requirement for a public utility to seek approval from the Public Utilities Commission for the underground construction of high-voltage electric transmission lines if certain conditions are met.

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

Your Committee finds that, under existing law, public utilities must obtain approval from the Public Utilities Commission (Commission) for constructing underground transmission systems. Part of this approval process includes an evaluation by the Commission to determine whether the benefits of undergrounding, as opposed to overhead construction, justify the total cost to build transmission lines below ground, as the costs are significantly higher than overhead construction and are ultimately passed on to the ratepayers. However, if an entity



other than a public utility is responsible for the cost of undergrounding, such as a developer or other agency, there is no direct ratepayer burden to weigh against the benefits of undergrounding, and requiring approval from the Commission in these circumstances can unnecessarily increase the Commission's workload. Your Committee notes this measure only exempts public utilities from the requirement to obtain approval from the Commission for constructing underground high-voltage transmission line systems when the cost of undergrounding is paid for by an entity other than the public utility (i.e., not the ratepayers). Accordingly, this measure will help streamline the regulatory process while maintaining appropriate oversight of public utility operations and investments.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2021; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 78, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 78, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>HB78 HD1</b>	Committee Referral: <b>CPN, WAM</b>	Date: <b>03.17.2021</b>		
<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
BAKER, Rosalyn H. (C)	/	.		
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center;"><i>Clarence K. Nishihara</i></div>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency            Committee File Copy				

\*Only one measure per Record of Votes