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# A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the role of the  
2 public utilities commission is evolving from that of the  
3 traditional regulator, one that generally presides over and  
4 reacts to applications filed by utility companies, to a  
5 proactive agency responsible for developing strategy and guiding  
6 action plans to successfully accomplish the State's policy  
7 directives.

8           The legislature further finds that with rapid advances in  
9 new technology, high electricity rates, and aggressive clean  
10 energy policies, Hawaii is modernizing its entire energy system  
11 at an unprecedented pace. The public utilities commission often  
12 finds itself on the cutting edge in terms of addressing  
13 technical and regulatory issues related to the State's energy  
14 transition. Therefore, the State must continue to invest in the  
15 public utilities commission staff to manage the growing number,  
16 and increasingly technical complexity, of issues brought before  
17 the commission to ensure these important decisions are made in  
18 the public interest.



1           The legislature additionally finds that emphasis must be  
2 placed on the quality, rather than the quantity, of professional  
3 staff of the public utilities commission, as well as the  
4 creation of a competitive salary structure to attract and retain  
5 a highly competent staff.

6           The purpose of this Act is to clarify the authority of the  
7 chairperson of the public utilities commission concerning  
8 operational expenditures and the hiring and retention of agency  
9 personnel.

10           SECTION 2. Section 269-2, Hawaii Revised Statutes, is  
11 amended by amending subsection (b) to read as follows:

12           "(b) Effective July 1, 2005, the chairperson of the  
13 commission shall be paid a salary set at eighty-seven per cent  
14 of the salary of the director of human resources development,  
15 and each of the other commissioners shall be paid a salary equal  
16 to ninety-five per cent of the chairperson's salary. The  
17 commissioners shall be exempt from chapters 76 and 89 but shall  
18 be members of the state employees retirement system and shall be  
19 eligible to receive the benefits of any state or federal  
20 employee benefit program generally applicable to officers and  
21 employees of the State, including those under chapter 87A.



1           The commission is placed within the department of budget  
2 and finance for administrative purposes. Notwithstanding  
3 section 26-35(a)(5) to the contrary, the commission's  
4 operational expenditures, such as the purchase of supplies,  
5 equipment, furniture, dues and subscriptions, travel, consultant  
6 services, and staff training under specified threshold limits to  
7 be agreed upon by the chairperson of the commission and the  
8 director of finance, shall be subject to the review and approval  
9 of only the chairperson of the commission and shall be subject  
10 to all applicable procurement laws and procedures; provided that  
11 any operational expenditures that are above the agreed upon  
12 threshold amount may be reviewed and approved by the director of  
13 finance."

14           SECTION 3. Section 269-3, Hawaii Revised Statutes, is  
15 amended by amending subsection (a) to read as follows:

16           "(a) The chairperson of the public utilities commission  
17 may appoint and employ professional staff and other assistants  
18 for the public utilities commission as the chairperson finds  
19 necessary for the performance of the commission's functions and  
20 define their powers and duties. Notwithstanding section 26-  
21 35(a)(4) to the contrary, the employment, appointment,  
22 applicable salary schedules, promotion, transfer, demotion,



1 discharge, and job descriptions of all officers and employees of  
2 or under the jurisdiction of the commission shall be determined  
3 by the chairperson, subject to applicable personnel laws. The  
4 chairperson may appoint and, at pleasure, dismiss a chief  
5 administrator and attorneys as may be necessary, and who shall  
6 be exempt from chapter 76. The chairperson may also appoint  
7 other staff with or without regard to chapter 76."

8 SECTION 4. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

Public Utilities Commission; Expenditures; Hiring; Authority

**Description:**

Clarifies the Public Utilities Commission's authority concerning standard administrative practices, including operational expenditures and the hiring of personnel. Effective 7/1/50.  
(SD1)

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