

Honolulu, Hawaii

FEB 08 , 2024

RE: H.B. No. 2770
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which
was referred H.B. No. 2770 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES
COMMISSION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission to establish reliability standards and interconnection requirements for the Hawaii Electric System;
- (2) Establish system resilience as a metric that is monitored and considered by the Commission;
- (3) Require the Commission to collect the Hawaii electricity reliability surcharge and provide that the surcharge may be transferred to the Commission for the purpose of its duties; and
- (4) Require the Commission to contract for the performance of certain of its functions with the Hawaii electricity reliability administrator.



Your Committee received testimony in support of this measure from the Public Utilities Commission; Hawaii Clean Power Alliance; and one individual. Your Committee received testimony in opposition to this measure from Hawaiian Electric and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the State must prioritize actions that ensure that the Hawaii Electric System can adapt to changing conditions and withstand and recover from disruptions. Your Committee further finds that resilience is an important metric that should be monitored in order to ensure the performance and stability of the electric system. Your Committee believes that this measure addresses this issue by establishing electric system resilience as a metric that is monitored and considered by the Public Utilities Commission and providing that the Hawaii electricity reliability surcharge may be transferred to the Commission for the purpose of its duties.

Your Committee has amended this measure by:

- (1) Reinstating existing statute that makes the Public Utilities Commission's authority to adopt reliability standards and interconnection requirements discretionary, rather than mandatory;
- (2) Reinstating existing statute that allows, rather than requires, the Commission to require payment of the Hawaii electricity reliability surcharge;
- (3) Reinstating existing statute that allows, rather than requires, the Commission to contract for the performance of its functions with the Hawaii electricity reliability administrator;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2770, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2770, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



NICOLE E. LOWEN, Chair



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 2770	Committee Referral: EEP, CPC, FIN	Date: 2/6/24		
<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)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)	✓			
2. COCHRAN, Elle (VC)	✓			
3. GATES, Cedric Asuega	✓			
4. KAHALOA, Kirstin	✓			
5. PERRUSO, Amy A.	✓			
6. WOODSON, Justin H.	✓			
7. WARD, Gene				✓
TOTAL (7)	6			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation.				
Vice Chair's or designee's signature: <u>Elle Cochran</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				