STAND. COM. REP. NO. **(246)** Honolulu, Hawaii **MAR 14** RE: S.B. No. 137 S.D. 2 H.D. 1

Honorable Nadine K. Nakamura Speaker, House of Representatives Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 137, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to:

- Require the Public Utilities Commission to consider whether approving a proposed merger or acquisition of an electric utility company would or would not further the State's renewable energy goals;
- (2) Prohibit the acquiring entity of an electric utility company from terminating or attempting to renegotiate any existing and valid power purchase agreements and require the acquiring entity to assume and be bound by existing collective bargaining agreements and retain all covered employees; and
- (3) Establish a process to ensure that when an application for the proposed acquisition, merger, or consolidation of an electric utility company is filed by an acquiring entity that is an investor-owned utility, alternative bona fide applications from entities that operate under



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a non-investor-owned utilities ownership model are concurrently considered.

Your Committee received testimony in support of this measure from the International Brotherhood of Electrical Workers Local Union 1260; Ulupono Initiative; and AES Hawai'i. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Public Utilities Commission; Life of the Land; and Hawaiian Electric.

Your Committee finds that the State should ensure that the acquisition, merger, or consolidation of an electric utility company does not adversely impact the State's progress toward its renewable energy goals and that proper processes are in place to ensure that bids from non-investor-owned utilities are also considered.

Your Committee has amended this measure by:

- (1) Amending the process for the acquisition, merger, or consolidation of electric utility companies by requiring the electric utility to demonstrate that it solicited bids from potential acquiring entities that operate under non-investor-owned utilities ownership models and submit acceptable bids from such entities concurrently with an application by an acquiring entity that is an investor-owned utility;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) 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 S.B. No. 137, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 137, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



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

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NICOLE E. LOWEN, Chair



State of Hawaii House of Representatives The Thirty-third Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB137, SD2	Committee EEP	Referral: , CPC , FIN	Date	3/12/2	25
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold 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)		\checkmark			
2. PERRUSO, Amy A. (VC)		\checkmark			
3. KAHALOA, Kirstin		$\mathcal{N}^{\mathbf{a}}$			1914 - 11 - 11 - 11 - 11 - 11 - 11 - 11
4. KUSCH, Matthias		V			
5. QUINLAN, Sean					
J. QUINLAN, Sean					
6. WARD, Gene	<u>)</u>				
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TOTAL (6)		4			2
The recommendation is: Adopted In Not Adopted					
If joint referral, did not support recommendation. \bigwedge committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					