

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1648

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which
was referred S.B. No. 1648 entitled:

"A BILL FOR AN ACT RELATING TO POWER OUTAGES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create a default rule requiring a regulated utility to compensate customers for all actual damages incurred as a result of a power interruption affecting more than one thousand customers for four or more hours;
- (2) Enable a regulated utility to seek a waiver from the Public Utilities Commission relieving them of the obligation to compensate customers, but only if the Public Utilities Commission determines that the interruption was the result of a specific subset of circumstances legitimately outside of the utility's control;
- (3) Prevent a regulated utility from recovering losses and expenses from ratepayers; and
- (4) Establish a clear timeline under which a regulated utility must pay compensation or seek a waiver, and



under which the Public Utilities Commission must issue a decision on a waiver sought by a regulated utility.

Your Committee received testimony in opposition to this measure from Hawaiian Electric and Kaua'i Island Utility Cooperative.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that existing law unacceptably fails to provide utility customers with a clear, fair, equitable, and efficient system through which they are compensated for losses stemming from power outages. This measure will protect consumers by shifting the burden of responding to losses incurred due to a power outage to the utility, rather than the consumer.

Your Committee has amended this measure by:

- (1) Allowing hospitals to seek emergency and contingency expenses incurred by the hospital as a result of certain power interruptions;
- (2) Allowing the Public Utilities Commission to adopt rules in accordance with chapter 91, Hawaii Revised Statutes, for the new compensation waiver process established by this measure;
- (3) Clarifying that payments shall not be recovered from funds collected from utility rate payers, rather than being paid out of funds collected from utility rate payers;
- (4) Requiring electric utilities to submit a report to the Legislature before the 2026 Regular Session detailing the extent to which the utility already maintains service records containing certain information;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and



- (6) 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 S.B. No. 1648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1648, S.D. 1, and be referred to your Committee on Judiciary.

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



JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1648</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN, JDC</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/7/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"		✓		
AWA, Brenton	✓			
TOTAL	4	1	Ø	Ø
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Carol Fukunaga</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Distribution:</div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 2px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

*Only one measure per Record of Votes