

Honolulu, Hawaii

FEB 28 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 Judiciary, to which was referred S.B. No. 1648, S.D. 1, 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 support of this measure from one individual.

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 Consumer Advocacy Division of the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that in June 2024, Honolulu's downtown and Chinatown experienced multiple power outages, the largest of which resulted in the loss of power for roughly three thousand customers of Hawaiian Electric. Over three hundred claims were filed with Hawaiian Electric in the aftermath of the blackouts, with news reports indicating that many more potential claims were not filed due to uncertainty or doubt about whether Hawaiian Electric would cover certain losses or ultimately compensate the businesses for damages. A month after the Chinatown blackout, no claims had been paid out, and Hawaiian Electric had instead issued "courtesy payments" of \$500 for those business customers who submitted claims. Your Committee believes that the existing system 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 reduce uncertainty and financial precarity stemming from losses incurred during major power outages.

Your Committee notes that the intent of this measure is not to assign blame or fault but rather to determine who is required to pay for damages or losses under certain circumstances.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1648, S.D. 1, and recommends that it pass Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



