



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I

OFFICE OF THE DIRECTOR

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

KA 'OIHANA PILI KĀLEPA

335 MERCHANT STREET, ROOM 310

P.O. BOX 541

HONOLULU, HAWAII 96809

Phone Number: (808) 586-2850

Fax Number: (808) 586-2856

cca.hawaii.gov

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Energy & Environmental Protection
Tuesday, January 28, 2025
9:00 a.m.
Conference Room 325**

**On the following measure:
H.B. 978, RELATING TO ELECTRIC UTILITIES**

Chair Lowen and Members of the Committee:

My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to: (1) provide the Public Utilities Commission (Commission) with the authority to appoint a receiver to take temporary action necessary to assure continued adequate electric services from regulated investor-owned electric utilities, and (2) appropriate funds out of the Public Utilities Commission Special Fund.

The Department first notes that this bill would not amend the high standard for the Commission to appoint a receiver: "the failure [of the utility in question] is a serious and imminent threat to health, safety, and welfare". The Department sees utility receivership as a critical tool for protecting utility customers in the most extreme circumstances, but only in the most extreme circumstances. Therefore, the Department supports affording the Commission this option for electric utilities. Electric service is critical for daily life for

everyone in the State. And the permanent loss of electricity – in such an extreme scenario as, for example, a complete company collapse, however unlikely – could endanger everything from public safety infrastructure to personal health equipment. Finally, because receivership can only be invoked in circumstances extreme enough to meet this very high standard, it should be seen as just a final backstop or safety net, highly unlikely to affect the usual business and service fluctuations of electric utilities.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

LEODOLOFF R. ASUNCION, JR.
CHAIR

NAOMI U. KUWAYE
COMMISSIONER

COLIN A. YOST
COMMISSIONER

Telephone: (808) 586-2020
Facsimile: (808) 586-2066

Website: puc.hawaii.gov
E-mail: puc@hawaii.gov

Testimony of the Public Utilities Commission

To the
House Committee on
Energy & Environmental Protection

January 28, 2025
9:00 a.m.

Chair Lowen, Vice Chair Perruso, and Members of the Committee:

Measure: H.B. No. 978
Title: RELATING TO ELECTRIC UTILITIES

Position:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

Comments:

The Commission appreciates the intent of this measure to ensure continuity in electric services in the event of imminent threats to utility operations.

At present, the Commission has express authority under HRS §269-14.5 to appoint a receiver to take temporary actions on behalf of a regulated water or sewer utility when the continuity or quality of operations are in jeopardy. This necessarily provides the Commission with an additional tool that may be utilized when the health, safety, and welfare of consumers of water and wastewater services are in jeopardy. However, no such authority is extended to the Commission for other types of regulated entities.

Pursuant to HRS §269-7.5, every public utility as defined in HRS §269-1 must apply for and obtain a certificate of public convenience and necessity ("CPCN") prior to commencing its operations. The application requires information such as the type of work being performed, the geographic scope of operations, and a statement proving financial ability to render such services. If the entity is later found to be unable, unwilling, or unfit to adequately perform said services, the Commission may suspend, amend, or revoke the CPCN. However, in these unusual cases, the Commission would not be able to ensure continued service in the interim via the appointment of a receiver for electric or gas utilities.

Given that energy is an essential service intertwined with public health, safety, welfare, and economic viability, the Commission appreciates the bill's intent to safeguard against potential financial threat to the state's investor-owned electric utility. However, given that any future unforeseen circumstances could necessitate the appointment of a receiver, the Commission suggests widening the scope of this bill to include all energy-related utilities serving Hawaii's consumers.

The Commission therefore proposes the following amendments to the bill:

Page 2, line 16:

customers when an ~~investor-owned~~ electric or gas utility
either fails

Page 3, lines 13-14:

to assure continued adequate electric services from ~~investor-~~
~~owned~~ electric and gas utilities.

Page 3, lines 17-19:

(a) Whenever the commission finds that a regulated water
utility, ~~regulated-investor-owned~~ electric utility, regulated
gas utility, or regulated sewer utility is failing, to provide
adequate and reasonable service to its customers

Page 4, lines 4-9:

The commission may also appoint a receiver to take any
temporary action necessary to assure continued service if,
after notice and hearing, the commission finds that any water,
electric, gas or sewer utility regulated under this chapter
consistently fails to provide adequate and reasonable
service.

Thank you for the opportunity to testify on this measure.

HB-978

Submitted on: 1/26/2025 4:08:18 PM

Testimony for EEP on 1/28/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

Climate Protectors Hawaii support receivership if needed. Please pass this bill.