187 STAND. COM. REP. NO.

Honolulu, Hawaii **Februar 12**, 2015 RE: H.B. No. 619 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 619 entitled:

"A BILL FOR AN ACT RELATING TO THE MERGER, ACQUISITION, AND CONSOLIDATION OF ELECTRIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to safeguard the public interest when a proposed merger, acquisition, or consolidation of an electric utility is considered, by:

- (1) Requiring the Public Utilities Commission to evaluate a proposed merger, acquisition, or consolidation;
- (2) Establishing standards and criteria for the Public Utilities Commission to conduct its evaluation; and
- (3) Providing for public participation in the evaluation process.

The Hawaii Renewable Energy Alliance, Hawaii Solar Energy Association, Alliance for Solar Choice, Friends of Lanai, Puna Pono Alliance, a member of the Maui County Council, and numerous concerned individuals supported this measure. Life of the Land supported the measure with amendments. Hawaiian Electric Company, Hawaii Electric Light Company, Maui Electric Company, and NextEra Energy opposed the measure. The Public Utilities Commission, Division of Consumer Advocacy of the Department of Commerce and



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Consumer Affairs, and a few concerned individuals submitted comments.

Your Committee has amended this measure by:

- (1) Clarifying that upon filing of an application for approval of a proposed merger, acquisition, or consolidation of electric utilities, the Public Utilities Commission shall open a docket for the Commission and the Division of Consumer Advocacy to evaluate specific factors to determine the fitness and ability of the applicant and whether the proposal is reasonable and in the public interest;
- (2) Requiring, the Public Utilities Commission, in so far as practicable, to hold a public hearing on such applications in each affected service testimony;
- (3) Removing the requirement that the Public Utilities Commission grant the intervention of any party requested by the President of the Senate and the Speaker of the House of Representatives; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that this measure seeks to clarify existing statutory authority to ensure the public benefit in any proposed merger, acquisition, or consolidation of an electric utility,

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. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 619, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

HB619 HD1 HSCR EEP HMS 2015-1818

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

CHRIS LEE, Chair





Record of Votes of the Committee on Energy & Environmental Protection

	ittee Referral: P, CPC, FIN	Date:	2/10/13	5
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit) Image: Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)				
		· · · · · · · · · · · · · · · · · · ·		
2. LOWEN, Nicole E. (VC)				
3. CULLEN, Ty J.K.				
S. COMEN, LY S.K.		· · · ·		
4. EVANS, Cindy				
5. ING, Kaniela				
6. NISHIMOTO, Scott Y.				
7. SAY, Calvin K.Y.		· · · · · · · · · · · · · · · · · · ·		
8. YAMANE, Ryan I.				
			11.00	
9. POUHA, Feki				
10. THIELEN, Cynthia			100.000	
TOTAL (10)	10	0	0	0
The recommendation is: S-Adopted D Not Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Muge				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				