

March 6 , 2015 RE: H.B. No. 619 H.D. 3

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 619, H.D. 2, 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 establish standards and criteria for the Public Utilities Commission and the Division of Consumer Advocacy to apply when determining whether to approve a merger or consolidation of an electric utility.

The Hawaii Solar Energy Association; Environmental Caucus; and a concerned individual supported this measure. NextEra Energy and Hawaiian Electric Company, Hawaii Electric Light Company, and Maui Electric Company opposed this measure. The Public Utilities Commission; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Hawaii Renewable Energy Alliance; and The Alliance for Solar Choice commented on this measure.

Your Committee has amended this measure by:

 Restoring existing section 269-19(a), Hawaii Revised Statutes, language regarding the types of transactions that require an order of approval from the Public Utilities Commission;



STAND. COM. REP. NO. Page 2

- (2) Specifying that the purpose of this measure is to clarify rather than establish standards to evaluate a proposed sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation of an electric utility;
- (3) Incorporating the proposed amendments from the Division of Consumer Advocacy, which clarify the factors to be considered when evaluating a covered transaction; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 619, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 619, H.D. 3.

> Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair



State of Hawaii House of Representatives The Twenty-eighth Legislature

HSCR 861

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date:		
HB 619, HD2	EEP, CPC, FIN	3/3/15		
□ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. DECOITE, Lynn				
6. JOHANSON, Aaron Ling				
7. JORDAN, Jo				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LOWEN, Nicole E.				
11. ONISHI, Richard H.K.				
12. TOKIOKA, James Kunane				
13. YAMASHITA, Kyle T.				····
14. POUHA, Feki				
15. WARD, Gene				
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TOTAL (15)	14	l		
The recommendation is: Adopted Not Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				