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TO THE HOUSE COMMITTEE ON FINANCE

THE TWENTY-EIGHTH LEGISLATURE  
REGULAR SESSION OF 2016

TUESDAY, MARCH 1, 2016  
3:00 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE  
COMMITTEE

HOUSE BILL NO. 2649, H.D. 1 - RELATING TO ENERGY

**DESCRIPTION:**

This measure proposes to provide that electric utility rates or rate changes shall only be considered just and reasonable if the rate is derived from an earnings impact mechanism that directly ties the utility's revenues to the achievement of certain performances-based metrics and conditions; effective upon approval, but allows the Public Utilities Commission ("Commission") to delay implementation until no later than January 1, 2020.

**POSITION:**

The Division of Consumer Advocacy ("Consumer Advocate") offers comments on the bill.

**COMMENTS:**

The Commission initiated a Decoupling Investigation docket by issuing Order No. 31289 on May 31, 2013. In its subsequent Order No. 31484, the Commission identified General Issues 3. ("Whether performance incentives/penalties should be incorporated into the RBA, RAM or other utility rate designs or ratemaking procedures?") and 4. ("Whether changes should be made to general ratemaking procedures to improve efficiency and/or effectiveness?").

Most recently, the Commission issued Order No. 32735 on March 31, 2015, modifying decoupling mechanisms. However, the Commission declined to implement performance incentive mechanisms at that time, citing the impracticality of doing so before many related issues are resolved in other major dockets, such as the ownership of the Hawaiian Electric Companies, the power supply improvement plans, distributed energy resources, and integrated demand response planning. The Commission wrote that “care must be taken regarding the details of the performance metrics and mechanisms in order to ensure that the mechanisms are effective, are not subject to excessive gaming, and do not produce unintended deleterious consequences.” Parties to the Decoupling Investigation docket began filing statements of position and briefs on the further investigation of performance incentive mechanisms in June of 2015.

The parties are awaiting further direction from the Commission on the next steps on completing the investigation of performance incentive mechanisms. This bill is unnecessary because the issue is being considered in this ongoing docket.

Thank you for this opportunity to testify.

TESTIMONY OF RANDY IWASE  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII  
TO THE  
HOUSE COMMITTEE ON  
FINANCE

March 1, 2016  
3:00 PM

**MEASURE:** H.B. No. 2649, H.D. 1  
**TITLE:** RELATING TO ENERGY

Chair Luke and Members of the Committee:

**DESCRIPTION:**

This measure requires the Public Utilities Commission (“Commission”) to establish performance incentive mechanisms that directly tie electric utility revenues to the utility’s achievement on performance metrics on or before January 1, 2020.

**POSITION:**

The Commission offers the following comments for the Committee’s consideration.

**COMMENTS:**

The Commission agrees that electric utility performance should be aligned with meeting the State’s energy goals and protecting ratepayers from potentially unnecessary additional costs. The Commission currently has an open docket to reexamine the HECO Companies’ Decoupling Mechanism (See Docket No. 2013-0141) and the development of performance incentive mechanisms is one of the issues pending final decision in that docket.

Thank you for the opportunity to testify on this measure.

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
FINANCE**

**H.B. No. 2649, H.D. 1**

**Relating to Energy**

Tuesday, March 1, 2016

3:00PM

State Capitol, Conference Room 308

Kevin M. Katsura  
Assistant Deputy General Counsel (Regulatory), Legal Department  
Hawaiian Electric Company, Inc.

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

My name is Kevin Katsura and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities Maui Electric Company and Hawai'i Electric Light Company on H.B. 2649, H.D. 1.

This bill requires the Public Utilities Commission to establish, by January 1, 2020, performance incentive mechanisms that directly tie electric utility revenues to the utility's achievement on performance metrics, which may include compliance with the renewable portfolio standards, electric rate affordability, electric service reliability, levels of customer service, public information access to electric system planning and customer energy usage data, integration of renewable energy sources and timely execution of competitive procurement of processes.

Hawaiian Electric supports the intent of the bill for the Commission to eventually establish a performance-based ratemaking (or "PBR") mechanism in Hawai'i. However, the Company has the following comments on the bill.

First, the Commission is already addressing whether and in what form performance-based ratemaking should be introduced in Hawai'i. In Order No. 32735 in the decoupling reexamination proceeding, the Commission stated that pending resolution of certain strategic issues in other proceedings such as the Companies' proposed Power Supply Improvement Plans, implementation of a performance-based ratemaking framework is premature. However, it further stated that when major decisions regarding these plans are more clearly determined, the Commission will further consider the implementation of performance-based frameworks. In the meantime, the Commission is continuing its consideration in the decoupling

proceeding of certain stand-alone performance incentive metrics related to service quality and their implementation. A decision and order in that proceeding is pending. Therefore, this bill may not be necessary. The implementation of performance-based ratemaking would have very significant impacts on the utility companies and their customers and decisions on whether to go forward with it and what form it would take must be the result of very careful analysis and scrutiny. The Commission is the appropriate entity to evaluate and decide what kind of ratemaking mechanisms should be implemented in Hawai'i and what the timing of implementation should be.

Second, I'd like to briefly explain what performance-based ratemaking is. A performance based ratemaking mechanism should do the following:

- It should provide a financial incentive to the utility to deliver desired outcomes.
- Both customers and the utility should see benefits from increased efficiency.
- The utility should bear risk from factors that are within management control but should not bear the risk from factors that are outside management control.
- The PBR must provide the utility with a reasonable opportunity to earn a fair rate of return. This is consistent with Section 269-16(b) of the Hawai'i Revised Statutes.

A well-designed PBR plan is an extension to traditional ratemaking methodologies that provides stronger financial incentives to the utility to encourage delivery of desirable outcomes such as, for example, greater cost-effectiveness or achievement of certain service levels. PBR schemes are designed so that if, over time, desirable outcomes are achieved, the utility will earn a greater return than it would have done under traditional ratemaking. Conversely, if the desirable outcome is not achieved, the utility will earn a smaller return than it would have done under traditional ratemaking.

While a PBR may provide incentives relating to overall revenue requirement and incentives to reduce or control costs, it can also include targeted incentives designed to deliver desirable outcomes for certain performance measures or attributes such as service quality or customer service.

Third, the selection of the incentives, the benchmarks to measure whether the utility has achieved a desirable outcome, and the amount of the financial rewards and penalties, and the design of the total mechanism to ensure that it creates the right

incentives and does not result in unintended consequences is a critical and complicated process that should be carefully conducted. Different objectives may compete against each other if not carefully balanced and aligned. Regarding some of the possible incentives in HB 2649, HD 1, Hawaiian Electric has the following comments:

- “Utility system information access” – It is very difficult to identify a standard or benchmark to determine whether the utility has achieved the right level of access. Therefore, utility system information access may not be a good choice for a performance incentive, and there may be other means to achieve the desired result. In the decoupling proceeding, for example, the Commission conducted an extensive evaluation, with input from various outside parties, on information access and as a result, the Hawaiian Electric Companies today provide a wide variety of electric service metrics and data on their websites.
- “Electric rate affordability” – “Affordability” may be considered a measure of a customer’s individual ability to pay rather than a measure of electric utility performance. However, the utility does have control over much of the costs that it incurs to provide electrical service. Therefore, a more appropriate performance incentive may be “utility cost control.” Revenue caps are a common incentive for utility cost control, allowing the utility to retain expense savings (or a portion of the savings) from efficiency gains and resulting in the utility absorbing expenses (or a portion of the overage) over the cap.
- “Timely execution of competitive procurement processes” –The utility does not have control over all aspects of a competitive procurement process. A performance incentive like this would have to target parts of the process over which the utility has control.

Thank you for this opportunity to testify.



**HOUSE COMMITTEE ON FINANCE**

March 1, 2016, 3 P.M.

Room 308

(Testimony is 3 pages long)

**TESTIMONY IN STRONG SUPPORT OF HB 2649  
PROPOSED CLARIFYING AMENDMENTS**

Aloha Chair Luke, Vice Chair Nishimoto, and Committee members:

Blue Planet Foundation strongly supports HB 2649, setting a 2020 deadline for Hawai'i's utilities to shift away from the "cost-plus" utility revenue model and embrace a performance-based revenue model. This is particularly important as Hawai'i considers fundamental changes in the ownership and operation of its utilities.

Under the current ratemaking mechanisms, utilities basically earn an approved rate of return on top of money it invests in the grid. This mechanism causes the interests of the utility (to spend money) to be misaligned with the interests of customers (to save money). In addition, 100% of fuel costs are passed through to ratepayers, removing appropriate incentives for utilities to reduce consumers' risk of fuel price volatility.

The Public Utilities Commission has previously stated its concern with misaligned incentives:

**"The Commission is concerned that under the current regulatory cost-recovery model for power supply the utilities lack correct incentives to control power supply costs, aggressively pursue long-term contracts with IPPs for new renewable energy projects, and expeditiously retire old, inefficient generation units."**<sup>1</sup>

The Commission described several specific concerns with the "cost-plus" ratemaking model:

- "Lack of correct incentives to control power supply costs" (especially fuel costs)
- "No direct financial incentive to pursue independent, third-party/IPP clean energy projects"
- "No direct financial incentives to accelerate retirement of fossil generating units"
- "Lack of transparent price signals to evaluate the supply of ancillary services"<sup>2</sup>

HB 2649 replaces the "cost-plus" ratemaking model with a performance-based model, under

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<sup>1</sup> Commission's Inclinations on the Future of Hawaii's Electric Utilities: Aligning the Utility Business Model with Customer Interests and Public Policy Goals. (emphasis added).

<sup>2</sup> *Id.*

which utilities will earn revenue based on their performance rather than simply on their investment. The Commission concluded that a incentives that align customer interests with utility interests are a policy necessity:

**“It is essential that properly structured power generation cost recovery and financial incentive mechanisms are in place to guide and reward the HECO Companies for implementing [transformative energy] strategies and actions . . . . With new incentive mechanisms that better align utility performance with customers’ interests and public policy, a financially healthy utility can be synonymous with achieving Hawaii’s clean energy future.”<sup>3</sup>**

Other parties have suggested that this bill is unnecessary. Blue Planet disagrees. This bill focuses on *setting a deadline* to embrace an “essential” vision of performance-based utility models. That policy vision is consistent with the Commission’s existing view of policy. A deadline will ensure that no party, including utilities who advocate before the Public Utilities Commission, will drag their feet in finding points of compromise and mutual benefit between the interests of utility shareholders and the interests of Hawai’i’s consumers. We also note that the bill defers to the Commission’s expertise in achieving this policy vision: “the public utilities commission’s review of electric utility performance **may include but is not limited to the following** [list of performance indices].”

We suggest the following clarifying amendments, to ensure that (1) “performance” will mean exceeding clean energy targets, rather than merely achieving the statutory minimums, and (2) “performance” will mean reducing costs *and* reducing ratepayers risk of fuel price fluctuations. Lower costs today at the expense of statistically relevant risk of enormous costs tomorrow is not true “performance.”

On or before January 1, 2020, the public utilities commission shall establish performance incentive mechanisms that directly tie electric utility revenues to the utility’s achievement on performance metrics. In developing performance incentive mechanisms and performance metrics, the public utilities commission’s review of electric utility performance may include but is not limited to the following:

- (1) ~~Exceeding Compliance with~~ the State’s renewable portfolio standards;
- (2) Electric rate affordability and reduction in ratepayer fuel cost risks;
- (3) Electric service reliability;
- (4) Levels of customer service;
- (5) Utility system information access, including but not limited to public access to electric system planning data and aggregated customer energy usage data;

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<sup>3</sup> *Id.* (emphasis added).



- (6) Integration of renewable energy sources, including customer-sited generation; and
- (7) Timely execution of competitive procurement processes."

Thank you for the opportunity to testify.



Before the House Committee on Finance  
Tuesday, March 1, 2016, 3:00 p.m., Room 308  
HB 2649 HD 1: RELATING TO ENERGY

Aloha Chair Luke, Vice Chair Nishimoto, Members of the Committee,

On behalf of the Distributed Energy Resources Council of Hawaii, I would like to testify in support for HB 2649 HD 1, which requires the PUC (“Commission”) to establish performance incentive mechanisms that directly tie electric utility revenues to the utility’s achievement on performance metrics. This bill is effective upon approval, but it allows the PUC to delay implementation until no later than January 1, 2020. The DER Council is a nonprofit trade organization formed to assist with the development of distributed energy resources and smart grid technologies to support an affordable, reliable, and sustainable energy supply for Hawaii.

The DER Council strongly supports HB 2649 HD 1 as it starts the process of reforming the utility’s business model to meet the needs of Hawaii’s energy transformation. We believe that HB 2649 HD 1 combines both clarity and caution. First, HB 2649 HD 1 directs the Commission to include and consider several key performance metrics which will ensure that our decoupled utility will make the best decisions and most effectively engineer our energy transformation with their guaranteed revenue requirement. Right now, under the decoupled business model, the utility makes a guaranteed revenue which is not specifically tied to any particular performance. HB 2649 HD 1 would fix this by tying the utility’s revenues to performance determined as necessary by the commission. Next, HB 2649 HD 1 gives the Commission and the utility ample time to integrate these changes, as the Commission need not implement the performance metrics until January 1, 2020. The DER Council believes that this grace period will allow the Commission to integrate changes to the decoupling mechanism effectively as they proceed with the DER (2014-0192), DR (2015-0412), PSIP (2014-0183), and the merger docket.

In addition, the DER Council wishes to note that the Commission is no longer considering performance incentive metrics under the Reexamination of the Decoupling docket.<sup>1</sup> Although the docket is still open, and the Commission is still considering other performance metrics such as safety and reliability, metrics specifically tied to energy metrics are no longer part of the docket. Also, the DER Council wishes to note that although the PSIP docket will present a variety of plans for the Commission and stakeholders to consider, it will not involve any fundamental changes to the utility’s business model. HB 2649 HD 1 *does* address the utility business model, and it gives clear yet flexible guidance to the Commission as we move ahead with our energy plan.

Thank you for the opportunity to testify.

Leslie Cole-Brooks  
Executive Director  
Distributed Energy Resources Council of Hawaii

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<sup>1</sup> Order No. 327735, Docket No. 2013-0410 where “[t]he commission reiterates that it will not give further consideration to energy policy PIMs, as distinguished above, in this docket.” At 46.



COLLEGE OF SOCIAL SCIENCES

# HAWAII ENERGY POLICY FORUM

UNIVERSITY OF HAWAI'I AT MĀNOA

## Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs  
Karlle Asato, Hawaii Government Employees Assn  
Joseph Boivin, Hawaii Gas  
Warren Bollmeier, Hawaii Renewable Energy Alliance  
Michael Brittain, IBEW, Local Union 1260  
Albert Chee, Chevron  
Elizabeth Cole, The Kohala Center  
Kyle Datta, Ulupono Initiative  
Mitch Ewan, UH Hawaii Natural Energy Institute  
Jay Fidell, ThinkTech Hawaii  
Carl Freedman, Haiku Design & Analysis  
Matthias Fripp, REIS at University of Hawaii  
Ford Fuchigami, Hawaii Dept of Transportation  
Mark Glick, Hawaii State Energy Office, DBEDT  
Justin Gruenstein, City & County of Honolulu  
Dale Hahn, Ofc of US Senator Brian Schatz  
Michael Hamnett, SSRI at University of Hawaii  
Senator Lorraine Inouye, Hawaii State Legislature  
Randy Iwase, Public Utilities Commission  
Ashley Kaono, Ofc of US Representative Tulsi Gabbard  
Jim Kelly, Kauai Island Utility Cooperative  
Darren Kimura, Energy Industries  
Kelly King, Sustainable Biodiesel Alliance  
Kal Kobayashi, Maui County Energy Office  
Representative Chris Lee, Hawaii State Legislature  
Gladys Marrone, Building Industry Assn of Hawaii  
Stephen Meder, UH Facilities and Planning  
Hermina Morita, Energy Dynamics  
Sharon Moriawaki, UH Public Policy Center  
Tim O'Connell, US Dept of Agriculture  
Jeffrey Ono, Division of Consumer Advocacy, DCCA  
Stan Osserman, HCATT  
Darren Pai, Hawaiian Electric Companies  
Melissa Pavlicek, Hawaii Public Policy Advocates  
Randy Pereira, Hawaii Government Employees Assn  
Rick Reed, Hawaii Solar Energy Assn  
Cynthia Rezentes, Ofc of US Representative Mark Takai  
Rick Rocheleau, UH Hawaii Natural Energy Institute  
Will Rolston, Hawaii County, Research & Development  
Riley Saito, SunPower Systems  
Scott Seu, Hawaiian Electric Companies  
Joelle Simonpietri, US Pacific Command Energy Ofc  
H. Ray Starling, Hawaii Energy  
Ben Sullivan, Kauai County  
Lance Tanaka, Par Hawaii, Inc.  
Maria Tome, Public Utilities Commission  
Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of the  
Hawaii Energy Policy Forum  
Before the

House Committee on Finance

Tuesday, March 1, 2016 at 3:00pm in Conference Room 308

## Comments on HB 2649 HD1, Relating to Energy

Chair Luke, Vice-Chair Nishimoto, and Members of the Committee,

The Hawaii Energy Policy Forum (“HEPF”), created in 2002, is comprised of over 40 representatives from Hawaii’s electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision, mission and comprehensive “10 Point Action Plan” guide us in moving Hawaii toward its preferred energy goals and our comments on this bill.

HB 2649 HD1 requires that by 2020 the public utilities commission establish performance incentive mechanisms that directly tie electric utility revenues to the utility’s achievement on performance metrics.

The Forum supports aligning electric utility performance with meeting the State’s energy goals. However, the development of performance-based ratemaking is already being considered by the Commission in Docket No. 2013-0141, which is reviewing the HECO Companies’ decoupling mechanisms. Thus, while this measure could provide some legislative guidance on the issues the Commission is considering, it is not necessary and may cause inadvertent consequences. Such guidance would be more appropriate in a resolution as the PUC continues its investigation of this issue.

During this time of transition, with rapidly advancing technologies and evolving business models, we must ensure the Commission is afforded the flexibility necessary to craft utility performance metrics and incentive mechanisms that align utility performance with State energy goals in a way that will benefit all utility customers.

Thank you for the opportunity to testify.

*This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies.*



**Directors**

Jody Allione  
Project Development  
Consultant

Joe Boivin  
Hawaii Gas

Kelly King  
Pacific Biodiesel

Warren S. Bollmeier II  
WSB-Hawaii

**TESTIMONY IN SUPPORT**

**WARREN BOLLMEIER ON BEHALF OF THE  
HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE  
HOUSE COMMITTEE ON FINANCE**

**HB2649 HD1 Relating to Energy**

**March 1, 2016 3PM**

Chair Luke, Vice Chair Nishimoto and Members of the Committee on Finance,

I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is an industry-based, nonprofit corporation in Hawaii established in 1995. Our mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of our goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purposes of this Act is to begin transitioning towards an electric utility of the future by requiring the PUC to establish performance incentive mechanisms (PIM) that directly tie electric utility revenues to the utility's achievement on performance metrics, effective upon approval, but delayed implementation until no later than Jan 1, 2020.

HREA **strongly supports** this measure with the following comments:

- 1) Meeting Our Clean Energy Goals. This measure supports our clean energy goals by providing policy guidance to the PUC to incent the utility to integrate renewable energy sources, including customer-sited generation and execute timely competitive procurement processes, such as controlling power supply costs by aggressively pursuing competitively procured renewable energy projects, making sure they are built, and expeditiously retire their own old, costly, generation units.
- 2) Creating a Sustainable Electric Utility of the Future. This measure helps to have the investor-owned utility transition to a sustainable business model of a utility of the future providing policy guidance to the PUC to align the utility's performance incentives to the ratepayers interests, which are currently misaligned. Today, the utility is incented to spend money to achieve a greater rate of return, vs. controlling costs to save ratepayers money.
- 3) Provides for Policy PIM. Today, the PUC has a docket that provides for review of *conventional* PIMs such as outlined on page 8 lines 5-12, however, the PUC specifically does not have plans in the docket to address *policy* PIMs such as those outlined on page 8 lines 3-4, and 11-14. Specifically, the docket does not address:

|  |   |
|--|---|
|  | <p>(1) Compliance with the State’s renewable portfolio standards;</p> <p>(6) Integration of renewable energy source, including customer-sited generation; and</p> <p>(7) Timely execution of competitive procurement processes.”</p> <p>4) HB2649 HD1 provides much needed policy guidance to the PUC, while allowing them flexibility in execution dates and details but addresses the utility business model, something other dockets do not provide for, in order to achieve the state’s clean energy policy initiatives.</p> <p><b>Recommendation: We recommend passing the measure out “as is.”</b></p> <p>Mahalo for this opportunity to testify.</p> |
|--|---|



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

**TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION  
IN REGARD TO HB 2649 HD 1, RELATING TO ENERGY  
BEFORE THE  
HOUSE COMMITTEE ON FINANCE  
ON  
TUESDAY, MARCH 1, 2016**

Chair Luke, Vice-Chair Nishimoto and members of the committee, my name is Hajime Alabanza, and I represent the Hawaii Solar Energy Association, Inc. (HSEA)

HSEA supports HB 2649 HD 1 with comments. The measure amends §269 to include language that will designate the public utilities commission to establish performance based mechanisms, rendering electric utility revenue to be a product of its achievement on performance metrics. These amendments will help to address the issues brought up in the Commission's "Inclinations" docket released on April 28<sup>th</sup>, 2014.<sup>1</sup>

Thank you for the opportunity to testify.

<sup>1</sup>Order No.32052, Docket No. 2012-0036, 16–29

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 28, 2016 6:39 PM  
**To:** FINTestimony  
**Cc:** dashcapt@hawaii.rr.com  
**Subject:** Submitted testimony for HB2649 on Mar 1, 2016 15:00PM

**HB2649**

Submitted on: 2/28/2016

Testimony for FIN on Mar 1, 2016 15:00PM in Conference Room 308

| Submitted By  | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Heather Huitt | Individual   | Support            | No                 |

Comments: To whom it may concern, Please note my support for HB2649. Currently our utility company is allowed to use a no-risk business model. This allows the company to profit from increased spending, rather than linking revenues to performance. This bill would clarify the change needed to the Utility's business model. It includes important performance outcomes and increases incentives to control power supply costs, along with independent pursuit of clean energy projects and retirement of inefficient fossil generating units. Thank you for your consideration, Heather Huitt 44-002 Paku Pl. Kaneohe, Hi 96744

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**HB2649**

Submitted on: 2/28/2016

Testimony for FIN on Mar 1, 2016 15:00PM in Conference Room 308

| Submitted By   | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Randy Erickson | Individual   | Support            | No                 |

Comments:

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**Subject:** \*Submitted testimony for HB2649 on Mar 1, 2016 15:00PM\*

**HB2649**

Submitted on: 2/28/2016

Testimony for FIN on Mar 1, 2016 15:00PM in Conference Room 308

| Submitted By  | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Jonathan Reis | Individual   | Support            | No                 |

Comments:

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Committee on Finance  
Hearing Tuesday March 1, 2016 3pm

Aloha Chair Luke, Vice-chair Nishimoto and members of the committee,

I strongly support HB2649. It will correct the counter-productive financial incentives currently motivating our utility.

Currently wasteful investments in infrastructure act as a mechanism to increase the profits taken by the utility. This Bill aligns the interest of the utility with the interest of our State in terms of meeting clean energy goals and retiring inefficient generation plants.

The existing PUC Docket is not a substitute for this Bill. The outcome is uncertain and will be partial at best.

Mahalo,

Lisa Marten  
HECO Ratepayer

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 28, 2016 9:24 AM  
**To:** FINTestimony  
**Cc:** amybrinker@mac.com  
**Subject:** \*Submitted testimony for HB2649 on Mar 1, 2016 15:00PM\*

**HB2649**

Submitted on: 2/28/2016

Testimony for FIN on Mar 1, 2016 15:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Amy Brinker  | Individual   | Support            | No                 |

Comments:

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