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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Energy & Environmental Protection
Thursday, March 12, 2020
8:30 a.m.
State Capitol, Conference Room 325**

**On the following measure:
S.B. 2655, S.D. 1, RELATING TO UTILITY TRANSMISSION LINES**

Chair Lowen and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports the intent of this bill and offers comments.

The purpose of this bill is to exempt a public utility from seeking approval from the Public Utilities Commission (Commission) to place, construct, erect, or build a high-voltage electric transmission system under certain circumstances.

The Department appreciates S.B. 2655's intent to reduce the workload of the Commission and the Department for electric transmission projects that may be uncontroversial and that are subject to conditions set forth in this bill. The Department also appreciates the amendments in S.D. 1 that: (1) clarifies that certain proposed transmission projects will not require Commission approval when the *entire* cost of underground construction is paid by an entity as a contribution in aid of construction; and (2) allows for the Commission's review by way of a detailed report on the proposed

project and a sixty-day window for commission action. The Department believes that these amendments provide clarity as to the regulatory accounting treatment that should be used and also allows the Commission to appropriately exercise jurisdiction if the project may not be consistent with the public interest.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION

March 12, 2020
8:30 a.m.

Chair Lowen and Members of the Committee:

MEASURE: S.B. No. 2655 SD1

TITLE: RELATING TO UTILITY TRANSMISSION LINES.

DESCRIPTION: Exempts a public utility from seeking approval from the public utilities commission to place, construct, erect, or build a high voltage electric transmission system under certain circumstances.

POSITION:

The Public Utilities Commission offers the following comments for consideration.

COMMENTS:

The Commission supports the intent of this measure to streamline the regulatory process while maintaining appropriate oversight of public utility operations and investments. The Commission currently reviews all proposals for the construction of high-voltage transmission lines, in order to determine whether transmission line systems should be built above or below ground. As part of that review, the Commission evaluates whether the benefits of undergrounding as opposed to overhead construction justify the total cost to the utility's ratepayers. It is often significantly more expensive to build transmission lines below ground than above ground. When the utility is paying these costs, the burden is passed onto ratepayers.

The Commission notes that the changes proposed in this bill would only exempt public utilities from the requirement to obtain Commission approval of constructing underground high-voltage transmission line systems when the cost of undergrounding is paid for by "an entity other than the public utility." Under the current statutory language, public utilities

must obtain approval for constructing underground transmission systems even when an agency, developer, or other third party is responsible for the cost of undergrounding.

However, if an entity other than a public utility is responsible for the cost of undergrounding, there is no direct ratepayer burden to weigh against the benefits of undergrounding. Under the current statutory language, a public utility is still required to obtain Commission review and approval in such a case.

The Commission views this measure as an effort to make the approval process for underground transmission line systems more efficient when there is no additional cost to ratepayers.

Thank you for the opportunity to testify on this measure.

Sustainable Energy Hawaii

421 Lama St.
Hilo, HI 96720



March 11, 2020

Dear Chairs Lowen, Takumi, Luke,

Sustainable Energy Hawaii is in support of SB2655 SD1. This exemption will pave the way for grid infrastructure that will be more resilient. We recommend that it be made clear that the costs associated with the construction of underground infrastructure must not be borne by the public and that future-proofing is taken into consideration, e.g., underground infrastructure not be sited where it might eventually be submerged.

Thank you for this opportunity.

A handwritten signature in cursive script, appearing to read "Richard Ha".

Richard Ha
President
Sustainable Energy Hawaii

Sustainable Energy Hawaii, formerly Big Island Community Coalition (BICC), is an advocacy group that is dedicated to improving the quality of life of Hawaii residents through affordable energy, generated from local renewable resources.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION**

**S.B. 2655, SD1
Relating to Utility Transmission Lines**

Thursday, March 12, 2020
8:30 A.M., Agenda Item # 2
State Capitol, Conference Room 325

Kerstan Wong
Director, Transmission and Distribution Engineering
Hawaiian Electric Company

Dear Chair Lowen, Vice Chair Wildberger, and Members of the Committee,

My name is Kerstan Wong and I am testifying on behalf of Hawaiian Electric Company, Inc. (Hawaiian Electric) **in support** of S.B. 2655, SD1, Relating to the Utility Transmission Lines.

Hawaiian Electric supports the intent of this bill which is to streamline the regulatory process while maintaining appropriate oversight by the Public Utilities Commission. This bill proposes that in cases where the entire cost to underground a new 46,000 volt or greater electric transmission line is paid for by an entity other than the public utility, this bill will require a report to be submitted in lieu of an application to the Public Utilities Commission requesting formal approval. This will save the Public Utilities Commission and the Department of Commerce and Consumer Affairs time and resources and still provide necessary cost safeguards for Hawaiian Electric customers.

Accordingly, the Hawaiian Electric Company supports S.B. 2655, SD1. Thank you for the opportunity to testify.

SB-2655-SD-1

Submitted on: 3/11/2020 7:21:18 AM

Testimony for EEP on 3/12/2020 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Individual	Support	No

Comments:

Dear Chairs and members:

I support this measure but would like to call out that underground transmission line construction projects must continue to be subject to other requirements that will ensure it does not contribute to undesired environmental, health, and safety consequences.

Thanks,

Noel Morin - Hilo