

STAND. COM. REP. NO. **590**

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1328
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1328 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION SPECIAL FUND CARRYOVER BALANCE,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the balance that may be retained in the Public Utilities Commission Special Fund (PUC special fund) at the end of each fiscal year from \$1,000,000 to \$3,000,000.

Your Committee received testimony in support of this measure from Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; and Ulupono Initiative, LLC.

Your Committee finds that each year, public utilities operating in the State pay a public utility fee, which is deposited into the PUC special fund in July and December. The PUC special fund is the primary source of funding for the Public Utilities Commission. Existing law requires that at the end of each fiscal year, which occurs on June 30, all moneys in excess of \$1,000,000 in the PUC special fund be transferred to the state general fund. Thus, each year, the Public Utilities Commission must meet its financial obligations from June 30 until mid-August, when the public utility fees become available, by utilizing the



\$1,000,000 carryover balance. While this carryover balance was sufficient in 1994 when the law was enacted, the responsibilities and operational costs of the Public Utilities Commission have grown significantly. With the Public Utilities Commission's role in developing renewable energy projects in order to meet the State's renewable energy goals, the \$1,000,000 carryover balance will soon be insufficient to meet the Public Utilities Commission's obligations between the end of the fiscal year and the availability of the mid-year deposit into the PUC special fund. This measure increases the carryover balance that may be retained in the PUC special fund from \$1,000,000 to \$3,000,000.

Your Committee has amended this measure by:

- (1) Inserting a blank amount that may be retained in the PUC special fund; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1328, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1328	CPN, WAM	02-03-23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes