

STAND. COM. REP. NO. **2755**

Honolulu, Hawaii

FEB 29 2024

RE: S.B. No. 2511
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2511 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Public Utilities Commission to consider the immediate and long-term creation of jobs in its review of electric utility performance.

Your Committee received testimony in support of this measure from the International Brotherhood of Electrical Workers Local Union 1260.

Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that the Public Utilities Commission is required to establish certain performance incentives and penalty mechanisms that directly tie an electric utility's revenues to that utility's achievement on certain performance metrics. In developing these performance incentives and penalty mechanisms, the Public Utilities Commission's review of an electric utility's performance must consider, among other things, the electric



utility's service reliability, customer engagement and satisfaction, and the volatility and affordability of its electric rates and customer electric bills. Your Committee finds that the Public Utilities Commission should also be required to consider the creation of jobs as part of its review, as job creation is a strong indicator of a utility's operating stability and reflects the utility's long-term investment in the local community. Therefore, this measure supports the energy sector's contribution to economic growth and employment in the State.

Your Committee has amended this measure by:

- (1) Inserting language clarifying that the Public Utilities Commission shall consider the short-term and long-term retention and creation of local jobs in its review of electric utility performance; and
- (2) Inserting an effective date of July 1, 2040, 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. 2511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2511, S.D. 1, and be placed on the calendar for Third Reading.

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



JARRETT KEOHOKALO, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB2-S11	Committee Referral: CPN	Date: 2/20/24		
<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	4			1
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