

STAND. COM. REP. NO.

2595

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 3015
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. 3015 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR ELECTRIC PUBLIC UTILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$700,000,000, in one or more series, to assist Hawaiian Electric Company, Inc. (Hawaiian Electric) and its subsidiaries, Maui Electric Company, Limited and Hawaii Electric Light Company, Inc. in financing multi-project capital improvement programs, including costs to cover the acquisition of land or the construction or acquisition of facilities used or related to the production, transmission, or distribution of electricity, or any combination thereof.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Inc.

Your Committee received testimony in opposition to this measure from Ho'omana Pono, LLC.

Your Committee received comments on this measure from the Department of Budget and Finance, Hawaii Housing Finance and Development Corporation, and Public Utilities Commission.



Your Committee finds that the Department of Budget and Finance is authorized to issue special purpose revenue bonds to finance projects for utilities serving the general public in providing electric energy, gas, or telecommunications. Your Committee further finds that Hawaiian Electric is such an entity. Your Committee also finds that Act 41, Session Laws of Hawaii 2019, authorized the Department of Budget and Finance to issue up to \$700,000,000 in special purpose revenue bonds over five years, from 2019 to 2024, allowing Hawaiian Electric the option to finance multi-project capital improvement construction programs for the local furnishing of electric energy on Oahu, Hawaii island, and across Maui county. This measure extends the expiration date of the authorization currently in place from June 2024 to June 2029.

Your Committee finds that extending the authorization for the issuance of special purpose revenue bonds to assist in the financing of Hawaiian Electric's multi-project capital improvement programs constitutes assistance to utilities serving the general public, and that the issuance of special purpose revenue bonds to finance facilities of, or for, or to loan the proceeds of such bonds to assist project parties, is in the public interest.

Your Committee has amended this measure by inserting an effective date of July 1, 2040, to encourage further discussion.

Your Committee notes that during the public hearing for this measure, your Committee requested Hawaiian Electric to provide an outline of the projects that will benefit from the issuance of special purpose revenue bonds pursuant to this measure. Your Committee notes that it received three electronic files comprising a total of thirty-five pages identifying various communication, distribution, general, production, steam, and transmission projects across the islands of Oahu and Maui.

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. 3015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3015, 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,




ARRETT 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:		
<i>SB3015</i>	<i>CPN, WAM</i>	<i>2/9/24</i>		
<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
KEOHOKALOPE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton	✓			
TOTAL	<i>4</i>			<i>1</i>
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