

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Commerce and Consumer Protection

Tuesday, March 19, 2024

9:42 a.m.

State Capitol, Conference Room 229 and Videoconference

With Comments

House Bill No. 2700, HD3, Relating to Wildfires

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Senate Committee on Commerce and Consumer Protection:

The Office of the Governor offers the following comments on H.B. No. 2700, HD3, Relating to Wildfires.

H.B. No. 2700, HD3 establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and would appropriate funding.

The Maui wildfire resulted in unbearable loss of lives, homes, infrastructure, and businesses. This tragic event is a wake-up call that due to climate changes, the risk of catastrophic wildfires, along with other natural disasters in Hawaii has increased.

The bill proposes to establish a fund that the state, the electric utility, telecom companies and private landowners may contribute to a relief fund that would then potentially cover future claims arising out of a catastrophic future wildfire. While the Office of the Governor sees this proposal as one of a few important pieces of legislation that needs to be explored as our state figures out how to stabilize our electric utility and our energy future, we are concerned about some of the broad provisions establishing future protections.

More recently, Hawaiian Electric Company has shared some proposed requested amendments that fill in some of the blanks in the bill. These figures were significant and raise some questions as to whether the state can continue not opposing the bill. However, we are evaluating the viability of the state's share in the proposed amendments, but also analyzing the total numbers and the contributions by various stakeholders to determine if that will be sufficient to create a viable fund for such unknown, but potentially catastrophic damages.

While the Office of the Governor remains open to the original purposes of creating such a fund, these details coming to light through the proposed amendments are quite concerning. As such we still cannot support the proposed amendments. However, we do not oppose this

Testimony of Office of the Governor
H.B. No. 2700, HD3
March 19, 2024
Page 2

bill moving forward so that we may continue our discussions with the electric utility and other key affected stakeholders.

Thank you very much for the opportunity to provide testimony on this measure.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Tuesday, March 19, 2024
9:42 a.m.
Conference Room 229
On the following measure:

H.B. 2700, H.D.3, RELATING TO WILDFIRES.

Chair Keohokalole, Vice Chair Fukunaga and Members of the Committees:

My name is Nadine Ando, and I am the Director of the Department of Commerce and Consumer Affairs ("Department") The Department offers comments on this bill.

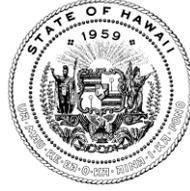
The purpose of this bill is to establish the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and appropriates funds.

The Department appreciates the amendments in the current version of the H.D.3 that changes the number of full-time equivalent Administrator positions to support the Hawaii Wildfire Relief Fund Corporation to an unspecified number.

The purpose of the wildfire relief fund is to process eligible claims for property damage resulting from future catastrophic wildfires. Notably, however, the current proposal does not address the means or the mechanisms to compensate for claims of property damage arising out of the recent devastating Maui wildfires. The Department

believes that a more comprehensive proposal from key stakeholders such as the electric utility is needed to better assess the feasibility and effectiveness of any proposed measure relating to property damage compensation and risk exposure.

The Department remains committed to contributing constructively to the development of legislation that ensures the safety and well-being of our communities and is grateful for the opportunity to offer comments on this bill.



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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Protection
Tuesday, March 19, 2024
9:42 a.m.
Conference Room 229**

**On the following measure:
H.B. 2700, H.D. 3, RELATING TO WILDFIRES**

Chair Keohokalole and Members of the Committee:

My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to establish the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and appropriate funds.

The Maui wildfire resulted in tragic losses of life, personal injuries, and property damage. The pain of that tragedy will be felt for generations. We must take decisive action to eliminate the possibility of such tragic outcomes from recurring by focusing on mitigating the risks from natural hazards.

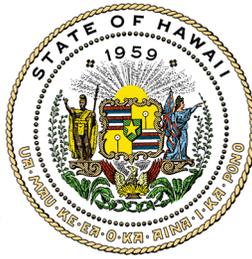
This bill proposes establishing a fund that the State, electric utilities, public utilities that contribute to the risk of occurrence or severity of a catastrophic wildfire, other government entities, and private landowners may participate in. The money within the

fund would then potentially cover future claims related to property damage arising out of a future catastrophic wildfire.

The Department appreciates that this bill seeks to address the stability of the State's public utilities. The Department greatly appreciates that the amendments made by the prior committees which, among other things, provide language that would prevent utility ratepayers from having to shoulder the burden of paying costs to cover property claims arising from future catastrophic wildfires. Specifically, the HD3 version of this bill prohibits a participating public utility from recovering contributions and reimbursements, respectively, from their ratepayers. The Department believes that these provisions must be included within the bill if this bill is passed and enacted.

The Department also notes amendments that, in effect, allow non-investor owned utilities, such as member-owned cooperatives, to participate in the proposed program. The Department believes that those amendments are needed because non-investor owned utilities may suffer damages from or possibly contribute to the cause of a catastrophic wildfire. The Department appreciates the adoption of our recommendation to amend the proposed § -8(d)(3) to require different contribution amounts from the investor-owned and non-investor owned utilities that account for differences in revenues and assets between the different ownership models.

Thank you for the opportunity to testify on this bill.



SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

The Honorable Jarrett Keohokalole, Chair
The Honorable Carol Fukunaga, Vice Chair

H.B. NO. 2700, H.D. 3, RELATING TO WILDFIRES.

Hearing: Tuesday, March 19, 2024, 9:42 a.m.

The Office of the Auditor offers the following comments on H.B. No. 2700, H.D. 3 establishing the Wildfire Relief Fund and requiring the auditor to conduct an annual audit of the Wildfire Relief Fund Corporation (corporation) and Wildfire Relief Fund (fund) pursuant to Chapter 23, Hawai'i Revised Statutes (HRS).

- (a) The auditor shall conduct an annual audit of the corporation and wildfire relief fund pursuant to chapter 23. As part of this audit, the auditor may contract with a firm qualified to perform an independent actuarial review.*
- (b) The auditor shall determine the scope of the review required by this section, which shall include but not be limited to:
 - (1) A review of the sources and uses of the moneys in the wildfire relief fund;*
 - (2) A reconciliation of changes in actuarial assumptions and reserve values from the preceding year;*
 - (3) An examination of the development of claim reserve inadequacies or redundancies over time; and*
 - (4) An assessment of the future financial viability of the wildfire relief fund.**
- (c) The corporation shall ...*
- (d) The audit required by this section shall be conducted using both generally accepted accounting principles and the statutory accounting principles published by the National Association of Insurance Commissioners.*
- (e) The cost of the audit required by this section shall be paid by the corporation.*
- (f) The auditor shall issue an annual report to the legislature and governor on the results of the audit and review. The audit and report of the review performed by the independent actuarial firm shall be available for public inspection, in accordance with the auditor's established rules and procedures governing public disclosure of audit documents.*

First, we note that it is unclear whether the “annual audit” pursuant to Chapter 23, HRS, is a financial or performance audit. -Section 6(a) provides the auditor may contract with a firm to perform an independent actuarial review. -Section 6(b)(2) references a “reconciliation of changes in actuarial assumptions and reserve values” and -Section 6(b)(3) an examination of the development of claim reserve inadequacies or redundancies over time. If the intent is to provide reasonable assurance that the funds administered by the corporation are appropriately accounted for, our office requests a revision to the proposed statute to specifically say “annual financial audit of the corporation.” (We do not perform any financial audits in-house; rather, we contract

with certified public accounting (CPA) firms to audit the financial statements of State agencies and for the State's Annual Comprehensive Financial Report.) If the intent is to require an actuarial audit, we suggest a revision to the proposed statute to require the corporation to contract with an actuary who is independent of any actuary who performs work on behalf of the corporation.

Additionally, because this fund is to be created to pay claims relating to "catastrophic wildfire damages," it seems the claims are unknown. We are unsure what an actuary can determine the adequacy of the fund and its financial viability. That type of assessment is performed, for instance, with respect to the Employees' Retirement System's holdings, which pay for the retirement benefits of government employees. In that case, there is a known liability.

Lastly, the financial audits that we procure are performed in accordance with generally accepted accounting principles as well as generally accepted government auditing standards. We are not familiar with "statutory accounting principles published by the National Association of Insurance Commissioners." More importantly, we cannot assure whether CPA firms are familiar with those principles and can perform the work in accordance with them.

Thank you for considering our testimony related to H.B. No. 2700, H.D. 3.

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

March 19, 2024
9:42 a.m.

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

MEASURE: H.B. No. 2700, HD 3
TITLE: RELATING TO WILDFIRES.

DESCRIPTION: Establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Appropriates funds. Effective 7/1/3000. (HD3)

POSITION:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

COMMENTS:

The Commission appreciates the intent of this measure to mitigate the effects of a catastrophic wildfire in Hawaii by establishing a wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in Hawaii.

In H.B. 2700, HD 3, the Commission observes that the burden to pay for capitalization and participation in the fund has shifted from a Commission determination as to whether costs should be recovered from ratepayers or shareholders, to solely shareholder responsibility. The Commission agrees that it is important to carefully consider what costs are appropriate for ratepayers to bear and does not want to unjustly recover costs from ratepayers. Just and reasonable rates, prudence of incurred costs, and affordability are driving factors in every decision that the Commission makes. This proposed wildfire fund, however, is a form of insurance for electric utilities that own systems that are extremely

costly to insure on the private market. Similar insurance is sometimes recovered in utility rates following a Commission determination that it provides a benefit to ratepayers. In California, the similar wildfire fund includes contributions from both electric utility ratepayers and shareholders in a sophisticated landscape that has been developed over more than a decade.

The Commission believes that it is critical to have a financially viable utility to serve customers and that it may be appropriate to have both the utility and its shareholders share in the cost of mitigating the risks to the utility from catastrophic wildfires. A cap on how much of a utility's contributions may be recovered from customers improves consumer protection and could create incentives for the utility's shareholders to operate with wildfire safety in mind. However, without knowing the total required utility contributions to the wildfire relief fund, it is difficult to determine what an appropriate percentage cap would be at this time. Additionally, allowing the Commission the discretion to set the cap on ratepayer funds in a proceeding on wildfire protection would let the Commission directly tie the relative shareholder contributions to performance metrics and outcomes. Therefore, the Commission offers the following amendment for consideration:

Page 22, lines 10-13:

(k) Utility contribution. A The Commission shall determine a cap on the percentage of a public utility's contributions to the wildfire relief fund, including initial and supplemental contributions, shall not be recovered from its customers in rates that may be recovered from its customers in rates, unless the Commission directs otherwise pursuant to section -9.

Should the Committee feel that an electric utility's participation in the fund should be conditioned on having a plan in place and approved by the Commission, the Commission suggests referring to the risk-based wildfire protection plans as may be required by future legislation contemplated in H.B. 2407, HD2. Such wildfire protection plans could include a requirement to demonstrate how the utility's structure, accountability schemes, enforcement, and organization are the most effective option for ensuring customer safety and system.

Thank you for the opportunity to testify on this measure.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE
COMMITTEE ON COMMERCE & CONSUMER PROTECTION**

HB 2700, HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Jason Benn

Senior Vice President Chief Information Officer

Hawaiian Electric

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

My name is Jason Benn, Senior Vice President & Chief Information Officer for Hawaiian Electric and I am testifying **in strong support of HB 2700, HD3, Relating to Wildfires, particularly as it relates to its companion - SD2 version of SB 3344 with some exceptions. I am also requesting important amendments (attached) to fill in remaining blanks in the bill, including its numbers, to respond to stakeholder concerns, and to address important remaining substantive issues. These amendments also harmonize HB 2700, HD3 with our proposed amendments to SB 3344, SD2 which are pending before the House. We hope to work with the committees to improve the language of the bill and make it as effective as possible. In general, Hawaiian Electric is supportive of the SD2 version of SB 3344 with some exceptions which we outlined in the attached.**

HB 2700, HD3 would create a statewide wildfire relief fund to compensate property owners, insurers, and government entities for property damage resulting from future catastrophic wildfires, regardless of who or what caused them. As we so painfully learned on August 8, 2023, the impacts of climate change, combined with the changing uses of land in Hawaii, are creating a whole-of-society problem. HB 2700, HD3 is part of that whole-of-society solution.

This measure – and the other measures Hawaiian Electric has proposed – does not contemplate a financial bailout for the company related to the Maui wildfires. It is forward-looking, about working to prevent something terrible like this from ever happening again and to provide additional financial protection for everyone in the unlikely event of a future catastrophic wildfire. This legislation will also help strengthen the financial standing of Hawaiian Electric, enabling it to continue serving the energy needs of Hawaii as it has done since 1891.

We have proposed a number of amendments to HB 2700, HD3. I will summarize them in five categories.

- **The first category relates to the requirement that the PUC approve a plan to address organizational and safety issues.**
 - In SB 3344, SD2, the CPN committee added a requirement that any electric company that has been sued relating to the August 8 fires submit a plan to the PUC in advance of participating in the Fund.
 - We believe that such a requirement to submit a plan before participating in the fund is unnecessary given pending legislation that already requires the utility to submit a wildfire risk mitigation plan to the PUC, and unrelated to the purpose of this bill. Moreover, a delay in the operation of the Wildfire Relief Fund does not help in reducing fire risk and could hurt Hawaii.
 - Nevertheless, in the event that this committee is inclined to adopt language that creates a plan requirement, we have included in our proposed amendments to HB 2700, HD3 the language that was included in SB 3344, SD2, with a few further proposed changes that mirror those

we have proposed in the House to SB 3344, SD2. Those edits clarify the introductory paragraph without changing its intended meaning, provide for a review of the utility's organizational structure and lines of business, without specifying a separation of generation from T&D, and reword other provisions to make them more objective and clear.

- For ease of reference, we have included this language in our black-line; and we have, in our talking points, included language that shows this committee what language SB 3344, SD1 originally included; and what reflects our amendments to that SB 3344, SD1 provision.
- **Second, we propose to amend HB 2700, HD3 to specify numbers for contribution amounts and payment amounts, and clarify that the State may make its contribution via a contingent guarantee, meaning the State would not need to put the entire amount due into the fund, instead it would use a contengen.** These are the same amendments we proposed to SB3344, SD2 in the House.
 - These amendments add in remaining numbers to the bill, which previously were blank.
 - The amendments specify that the total capitalization amount for the Fund will be \$1 billion, which includes \$333.3 million for the State, \$333.3 million for Hawaiian Electric, and \$333.3 million to be split among remaining contributors.
 - The amendments also clarify, consistent with Hawaii law, that the State may provide the vast majority of this contribution—\$324 million—via a contingent guarantee that requires a payment by the State only if there is in fact a catastrophic wildfire that exhausts the available resources of the Fund. In this way, the Fund is designed to minimize the financial burden on the State while still ensuring it is sufficiently capitalized to protect beneficiaries.
 - The amendments also clarify the amount of compensation the Fund offers property owners and insurers, which were carefully selected to reflect that the Fund offers such payments regardless of whether any credit-worthy party is alleged to have caused the fire.
- **Third, we propose two other substantive amendments.**
 - **Whereas SD2 of SB 3344 stated that not more than 50% of Hawaiian Electric's contribution to the Fund could be recovered in rates, we are proposing that the contribution be recoverable, subject to a rate cap on securitization.**

- Specifically, we contemplate paying for this initial contribution with a securitization, and we will propose language to any securitization bill that caps the total amount of securitization for any purpose so that it will not increase rates by more than 5%. With that cap, we believe it is both proper and fair for the initial contribution to be covered by rates or securitization. That reflects that liability insurance has historically been covered by rates. And it reflects the initial contribution—which provides funds to cover all catastrophic wildfires, including those the utility did not cause—differs in kind from the *separate* requirement that a utility replenish the fund in the event it is found to have imprudently caused a wildfire—which can only be recovered from shareholders.
- **Our amendments also restore the presumption of prudence if there is a wildfire mitigation plan.**
 - The original version of HB 2700 stated that, in a PUC review, the utility’s conduct will be presumed prudent. As detailed in the attached talking points memorandum, we request that this Committee restore the presumption.
- **Fourth, our amendments clarify the timing of the Fund to enable it to be operational by February 14, 2025, consistent with our proposed amendments in the House to SB 3344, SD2.**
 - We have proposed amendments—including defining the Fund’s “Operation Date” and specifying what must occur as of that Operation Date—to accomplish this goal. The Fund will begin to cover catastrophic wildfires that occur on or after its Operation Date, so these amendments are important to create a path for the Fund to reach that point as soon as reasonably possible.
- **Fifth and finally, we made a number of other clarifying amendments in response to feedback from stakeholders, including State Farm Insurance and the Office of the Auditor.**

The Fund not only provides compensation to property owners and insurers; it also helps the State and individuals avoid the costs and burdens of litigation, as well as the financial instability that can result from litigation due to catastrophic wildfires. The State has a strong interest in avoiding that outcome. Electric utilities, for example, invest hundreds of millions of dollars every year in our State to help achieve its energy policy

objectives. These include renewable energy, decarbonization, resilience and the availability of safe, reliable, and secure service to our customers, including other critical infrastructure providers, such as hospitals and the Department of Defense.

Furthermore, the scope of a catastrophic wildfire is the result of a number of factors, including climate change and land management practices, that are not the fault of any single entity. The Fund equitably shares the burden of these factors that can lead to a catastrophic wildfire, promoting the public's interest in ensuring that our critical infrastructure providers, including electric utilities, remain able to raise the capital needed to invest in our State.

In order to continue to be able to make these large upfront investments, the utility must eliminate the financial uncertainty of future wildfire risks and regain access to capital. We believe this bill and investments Hawaiian Electric and others will make to mitigate wildfire risk, will help do so.

In summary, HB 2700, HD3 provides a low-cost and rapid process to compensate property owners and insurance companies and avoids the uncertainty of litigation that can financially destabilize utilities, large landowners, and government entities. Solving the impacts of climate change on our State must be addressed collectively and collaboratively.

On behalf of the 2,600 employees, 5,200 retirees and the generations of Hawaiian Electric employees who have faithfully served our community for 132 years, mahalo for allowing me to testify in strong support of this important bill. Please pass HB 2700, HD3 to further align with SD2 version of SB 3344 while including our suggested amendments.

Guide to HB 2700, HD3

Proposed SD1 Amendments for Senate CPN consideration

We have proposed amendments to HB 2700 HD3 to do several things, which include incorporating SB 3344, SD2 with some exceptions explained below. First, the edits clarify the timing of the fund and the sequencing of the fund set-up process, to enable it to be operational by February 14, 2025 as any further delay would not serve the public interest. Second, the amendments specify numbers for contribution amounts, which were blank in the bill up till now. Third, the amendments clarify or add certain provisions in response to feedback from stakeholders, including State Farm Insurance and the Hawaii Office of the Auditor. Finally, the amendments address other substantive provisions in HD3 that we believe should be modified.

1. Definitions. §1.

a. Add language to “Catastrophic Wildfire” definition. (p. 3.)

The bill modifies the definition of Catastrophic Wildfire in two ways. First, it clarifies that a wildfire is covered by the fund only if it occurs on or after the “Operation Date,” a term that is separately defined as the earliest date on which all contributors and beneficiaries have elected to participate in year 1.

Second, the definition clarifies that “residential structures” are those “designed for habitation.” This addresses an ambiguity in the current definition: if a residential household has ancillary structures, such as an outhouse; garage; or barn—all three might count as “residential” structures for purposes of counting to five hundred. That would broaden the scope of the fund in an unintended way.

"Catastrophic wildfire" means a wildfire occurring on or after the ~~effective date~~Operation Date of this Act that damages or destroys more than five hundred ~~residential or commercial structures~~ or residential structures designed for habitation.

b. Add definitions of “eligible claim,” “property insurer,” and “property owner” to clarify who may participate in the fund as a beneficiary and what they may seek as compensation. See also edits to §§ 13, 14. (pp. 3-4.)

In response to feedback from insurance companies, we clarified which beneficiaries are eligible for the fund and what sorts of property damage they may seek compensation for.

Property Owners. A property owner would be eligible to participate only if she owns real property; but eligible real property owners would be able to seek compensation for all uninsured property losses, including real and personal property. If someone is a beneficiary, they should present all of their property claims into the fund—rather than split them up between the fund and litigation. Other edits in section 13 clarify this further.

Property Insurers. The Fund, by contrast, allows any property insurer—of real or personal property—to participate and seek compensation associated with either form of insurance. That is because insurers tend to file collective subrogation suits—and it serves the purpose of the Fund—to limit litigation—to allow all property insurers to participate. Again, edits in Section 14 effect this intent.

the furnishing of electrical power.

"Eligible claim" means a claim made by a property owner, or the property owner's designated representative, for real or personal property lost or damaged due to a catastrophic wildfire.

"Property Insurer" means an insurer licensed to provide insurance in Hawaii that, as of the date it elects to participate in the wildfire relief fund, provides insurance coverage for real or personal property loss in Hawaii caused by a catastrophic wildfire.

"Property Owner" means an owner of real property in Hawaii.

c. Define "Operation Date." (p. 4.)

A key edit in this draft is to define the "Operation Date," which is the date after which a catastrophic wildfire is covered by the fund.

Three events *must* occur before the Operation Date: the opt out date for property owners; the election date for property insurers; and the election date for fund contributors. That is because it is crucial to the structure of the fund that all of

these entities must decide to participate *before* they know whether there will be a wildfire, and who, if anyone, will be alleged to have caused it. Like any form of insurance—and in particular, this form of collective insurance—it would not be fair to allow property owners to join already knowing, for instance, that a fire was not caused by a creditworthy defendant; or a contributor to join already knowing that they have been alleged to have caused a fire.

Based on a timeline we generated, we concluded that February 14, 2025 is a feasible Operation Date if the Administrator and Board move quickly. To promote that date, we included it in the Act.

"Operation Date" means the date by which all of the following have occurred in advance of the first year of fund operation: (i) the deadline for property owners to submit opt-outs under section -13(d), (ii) the deadline for property insurers to submit elections under section -14(a), and (iii) the date for contributors to elect to participate in the fund under section -7(b); provided, that the Administrator is directed to take all reasonable steps necessary to ensure that the Operation Date is not later than February 14, 2025.

d. Define "Upfront" payment. (p. 4.)

It is already the case that a contributor may make initial payments over a five-year period—a lump sum payment and then annualized payments. In this edit of the bill, we clarify more precisely how that process works, including the timing and the obligation to pay interest on deferred payments. This definition is in service of those amendments.

"Upfront" payment or contribution means the portion of a contribution, whether initial or supplemental, by a contributor that is paid in a lump sum on a date designated by the Administrator or this Chapter, by contrast to "annual" payments or contributions which are deferred over multiple years.

2. Identify number of Board members. §4. (p. 7.)

We clarified the number of Board members would be five.

3. Clarify scope of audit. §6. (p. 10.)

This adds the word “financial” before audit in §6 at the request of the State Office of the Auditor.

CONDITION OF THE WILDFIRE RELIEF FUND.

§ -6 Wildfire relief fund corporation; audit. (a) The auditor shall conduct an annual financial audit of the corporation and wildfire relief fund pursuant to chapter 23. As part of this audit, the auditor may contract with a firm qualified to perform an independent actuarial review.

4. Edit contributor election provision to clarify timing of election vs. contribution. §7. (p. 12.)

We made edits to the provision whereby contributors elect to be a part of the fund. These edits work with other edits in the Act to clarify that a contributor must elect to participate by the Operation Date, but need not make the contribution by that date.

This bifurcated timing is for two reasons. First, it is the contributor’s election that must happen before wildfires can be covered by the fund—to avoid the moral hazard of a contributor signing up already knowing they have been accused of causing a fire. But the contribution can come later. Second, a contributor may require time to gather the necessary funds to make their initial payment. To have the election date as early as possible, the contribution date should come later.

To make this all work, we also clarified that when a contributor elects to participate, they are obligated to make the initial contribution.

(b) (1) To participate in the wildfire relief fund as a contributor, an entity shall:

~~(1i)~~ (2) Notify the administrator that it intends to participate in the wildfire relief fund by a date set by the Administrator in the year preceding the year in which the entity seeks to participate in the wildfire relief fund; and

~~(2ii)~~ ~~Have made~~Make required contributions to the wildfire relief fund pursuant to section -8.

(2) By making the election under subsection (b)(1), the participant is required to make an initial contribution.

5. Add plan requirement for electric utility participation. §7(g). (pp. 13-15.)

SB 3344, SD2, §7(g) added a provision to that parallel act that requires any electric utility that has been sued in regards to the Lahaina Fire to submit a plan to the PUC in advance of participating in the Fund. As noted in our testimony, we do not ultimately think this provision is necessary. Nevertheless, in the event that this committee is inclined to adopt language that creates a plan requirement, we would urge adoption of the language from SB 3344, SD2, with amendments that we have suggested to that language.

To that end, we have proposed in our black-line certain amendments we recently proposed to SB 3344, SD2 in the House.

In the black-line, we include our overall suggested text. Here, for review, we have included the versions that reflect our modifications to the SB 3344, SD2 language—and our explanations for those modification.

a. Modify first paragraph

SB 3344, SD2’s language’s triggering requirement—plan required for any electric utility that is “subject to proceedings for liability or insolvency claims related to a catastrophic wildfire”—was ambiguous. We clarified that it means “a defendant in a civil action” related to such a fire. We also clarified what “catastrophic wildfire” means—since no wildfire that occurs before the Operation Date is a catastrophic wildfire under the new definitions in the act. This way, the intent of the provision—to encompass the Lahaina Fire—is captured.

(g) Notwithstanding any provision to the contrary, an electric utility that is ~~subject to proceedings for liability or insolvency claims related to a catastrophic wildfire~~ a defendant in a civil action as of the effective date of this chapter related to an event that, if it occurred on or after the Operation Date of this chapter, would qualify as a catastrophic wildfire, may participate in the fund only if the utility provides, and the commission approves, a plan that satisfies the following conditions:

b. Clarify the requirements of the electric utility’s plan.

Because the issues addressed in these provisions raise significant policy questions that could affect ratepayers, we understand SB 3344, SD2 was requiring study of these issues, rather than imposing new obligations. We agree with that approach. These are important issues, but they are also complicated ones. For instance, multiple news outlets have written about the enormous burden on ratepayers that splitting generation and transmission facilities can create.¹ Separately, in 2019, the State of Hawaii, through London Economics, commissioned an independent study of utility ownership models.² The study concluded that changing the ownership model of the utility would not be the way to improve electric services. Instead, the State could achieve its goals through regulatory reform rather than a change in the utility ownership model.

Our edits to SB 3344, SD2 do not take any of these options off the table. They simply modify the language in small ways (a) to not limit the scope of PUC review, and (b) to encourage review of these important policy questions—rather than impose immediate changes.

¹ <https://www.nytimes.com/2023/01/04/business/energy-environment/electricity-deregulation-energy-markets.html>; <https://www.wsj.com/articles/texas-electric-bills-were-28-billion-higher-under-deregulation-11614162780>.

² https://energy.hawaii.gov/wp-content/uploads/2019/06/HI_DBEDT_UtilityModelStudy.pdf

- (1) The plan limits the burden to the rate payers of the electric utility;
- (2) The plan provides for a review of organizational structure of the electric utility and the separation of energy generation and energy transmission and distribution its lines of business;
- (3) The plan provides for a review of local governance and accountability, including a potential modification of the governance structure and re-orientation of the management and board of directors of the electric utility, to create further safety accountability and better representation of its emphasize safety and customers, including enhanced oversight and enforcement processes' interests;
- (4) The plan includes a framework for addressing wildfire safety and risk management, including monitoring, review, oversight and enforcement, independent review and oversight by the public utilities commission, and performance-based utility regulation, as defined by the public utilities commission; provided that executive compensation shall exclude any incentives associated with this chapter;
- (5) The plan provides for permits periodic performance-based management audits of the public utility;
- (6) The plan is consistent with meeting the public utility's and the State's renewable portfolio standards, mandates, and obligations; and
- (7) The utility has an approved risk-based wildfire protection plan approved by the public utilities commission; provided that the public utilities commission shall determine the timeline for the plan and when utility participation may begin within the timeline.

c. Clarify the timing of plan approval to avoid delaying utility participation in the fund.

As the contribution amounts make clear, it is important that the electric utility participate in the fund—as that is the most significant source of upfront capital for the fund to pay beneficiaries. But with an Operation Date in February 2025, the new requirement that the utility first submit a plan for approval to the PUC could result in delay.

Our edits to SB 3344, SD2, subsection (i) – now being proposed for your consideration in HB 2700, HD3, which clarifies that the PUC can approve the plan at any point during a year after the Operation Date without affecting the utility's ability to participate in the fund from day 1. Ideally, the PUC will approve any submitted plan in a timely manner and this provision will never need to be invoked.

Under this new provision, the utility may elect to participate in the fund before a plan is approved. It then must wait until plan approval to make its upfront contribution. But so long as it makes that contribution within 30 days of plan approval (assuming the plan is at least approved within a year of the Operation Date), the utility has the full benefits as a contributor in year 1.

Again, if the PUC approves the plan faster, the utility will be in a position to make an earlier contribution.

(i) An electric utility that is required to submit for approval a plan under subsection (g) may make the election under subsection(b)(1) prior to approval of a plan under subsection (g), but shall not make any money contribution prior to such approval. The utility shall not be deemed to have failed to make a required payment under -10(b), provided it otherwise complies with this subsection (i). In the event that the commission approves the plan after the Upfront Payment Date, but within one year of the Operation Date, the utility that submitted the plan may participate in the fund as a contributor, and shall be afforded all rights and privileges under this Chapter of a contributor as of the Operation Date, by making an Upfront payment within 30 days of that approval, notwithstanding any earlier deadlines in this Chapter. In the event that the commission approves the plan more than one year after the Operation Date, the utility that submitted the plan may participate as a contributor only under section -8(e), and will not be considered a contributor prior to that later election date. The wildfire relief fund will have no claim against a utility for failing to make any money contribution on the basis

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that the commission has not yet approved a plan under subsection (g).

6. Permit conditioning participation of other contributors on wildfire mitigation plans. §7(h). (pp. 13-14.)

Currently, there is legislation to require electric companies to submit wildfire mitigation plans to the commission for approval. This provision makes clear that, if the State requires such plans from other contributors—for instance, from private landowners or other utilities—it may condition participation on approval of such plan.

(h) In the event that any agency of the State requires any contributor other than an electric utility to submit a plan to mitigate wildfire risk, such agency may prohibit a contributor from participating in the fund as a contributor until the agency approves the contributor's plan.

7. Adding total capitalization and contribution amounts. §8. (pp. 15-17.)

We filled in money amounts that were previously blank: \$1 billion total capitalization, split three ways between (a) the State (largely in the form of a pledge, addressed below); (b) HECO; and (c) other contributors.

(1) From public utilities other than investor-owned electric utilities, private property owners, and other governmental entities that are eligible to participate in the wildfire relief fund, an

(a) Collectively, \$333.3 million;

(b) From other governmental entities that are eligible to elect to participate in the wildfire relief fund, a fraction of such amount determined by the administrator based on an actuarial assessment of the risk of payments to these entities by the wildfire relief fund resulting from catastrophic wildfires created by these entities, as well as the risk of potential payments made by the wildfire relief fund resulting from catastrophic wildfires created by these entities;

(c) From public utilities other than investor-owned electric utilities, and private landowners that are in all cases eligible to participate in the wildfire relief fund, and from private property owners, a fraction of such amount determined by the administrator based on an actuarial assessment of the risk of potential payments by the wildfire relief fund resulting from catastrophic wildfires created by these entities such entity;

(3) From investor-owned electric utilities, \$——; provided that there shall be different contribution amounts required by investor-owned utilities and non-investor-owned utilities, taking into account the differences in revenues and assets between the ownership models; and \$333.3 million; and

(4) From the State, \$333.3 million, comprised of a \$9.3 million money contribution and a pledge of \$324 million under Section -8(l).

8. Delete actuarial study requirement. Previous §8(b). (p. 15.)

We deleted the requirement that the Board commission an actuarial study in 2024. The act still gives the Board the power to hire actuaries as it sees fit in its discretion.

9. Specifying total capitalization refers to financial capacity. § 8(b). (p. 15.)

We added language to specify that total capitalization refers to the financial capacity of the fund, not to the liquid amount of money that must be in the fund. This helps to clarify why it is acceptable for the State to provide a pledge—rather than upfront money—and also shows that the Administrator may capitalize the fund using creative sources, such as insurance.

(~~eb~~) Time to total capitalization. The administrator shall recommend to the board, and the board shall, by majority vote, approve initial contribution amounts ~~under \$ _____~~ for potential contributors, other than the State and investor-owned electric utilities, based on the actuarial factors identified in subsection (~~bc~~) and with the goal of, to the extent reasonably possible, having the wildfire relief fund ~~reach~~have the financial capacity to cover claims equal to the total capitalization amount within five years of the ~~effective date of this Act~~Operation Date, taking into consideration reasonably expected investment returns, actual and expected contributions to the fund, contingent guarantees, insurance purchased by the fund, and any other mechanisms that increase the financial capacity of the fund. and assuming no payments will be made by the wildfire relief fund during that time period.

10. Added State pledge language. § 8(c)(4), §8(l). (p. 21.)

This section requires the State to contribute a sufficient amount to the fund through an initial money contribution and an irrevocable pledge for the rest—*i.e.*, a contingent guarantee. That way the State will have to provide the majority of funds *only* if necessary, because other contributors' funds are insufficient to cover the full liability to the fund of a catastrophic wildfire. This provision lessens the financial burden on the State of contributing to the fund. The proportion of money to pledge could be changed at the request of the State.

(1) The State shall make its initial money contribution of \$9.3 million to the Fund as soon as practicable after the effective date, to be used to pay for Fund operations in advance of the Operation Date. The State shall irrevocably pledge to appropriate and provide up to \$324 million, as follows. In the event that a catastrophic wildfire occurs, and the Administrator determines that the amount the wildfire relief fund is obligated to pay to property owners, property insurers, the State, and other governmental entities has exceeded or will exceed the total moneys in the Fund, the Administrator shall demand, and the State shall be obligated to provide, a contribution to the wildfire relief fund. The Administrator shall demand, and the State shall provide, this contribution before the Administrator seeks additional funding through supplemental contributions under section -8(f), or loans under section -8(k). The obligation to provide this money in the event that the requirements of this subsection are met constitutes an irrevocable guarantee of the State, backed by the full faith and credit of the State. At no time shall the aggregate amount of the State's financial responsibility to the fund, contingent or otherwise, under this sub-section exceed \$324 million. The Administrator, in making the calculations under -8(f), -11(a), and -16, shall treat the amount remaining on this pledge as capital in the wildfire relief fund for purposes of computing the total capitalization of the fund.

11. Modify late contributor provision. §8(e). (pp. 17-18.)

This section just simplifies how a potential contributor can join the fund after year 1. The previous language was more complicated than necessary.

12. Utility contribution through ratepayers. §8(j). (p. 20.)

As we've previously explained, it is reasonable for the utility's contribution to be recovered in rates. That is for multiple reasons:

- The fund operates as a form of going-forward liability insurance. Historically, utilities in Hawaii—like utilities across the country—are permitted to pass the cost of such insurance to ratepayers.
- The initial contribution is not connected to a utility's imprudent conduct—and indeed, a separate provision ensures that shareholders will pay in the event of such conduct.
- The fund already requires shareholders to make substantial replenishment payments in the event that a utility is found to have imprudently caused or exacerbated a catastrophic wildfire. §9.
- The initial contribution to the fund is not connected to the utility's imprudent conduct at all: that money can be used to cover wildfires that the utility isn't

alleged to have caused; wildfires it is alleged to have caused, but not through imprudent conduct (for instance, wholly non-negligent, unavoidable accidents); wildfires other contributors are alleged to have caused, etc.

- Requiring shareholders to cover the initial contribution wrongly suggests that this initial payment is connected to imprudent conduct; and it double-penalizes the utility and shareholders, because *if* the utility imprudently causes a wildfire, its shareholders will separately have to make a replenishment payment.

That said, we are sensitive to the importance of limiting the burden on ratepayers. As this amendment reflects, our plan is to use securitization to pay for this initial contribution, and to propose a limit, in the securitization act, on the total rate increase that all wildfire securitizations can result in. That structure is more protective of ratepayers—as it treats all securitizations, whether for the wildfire relief fund, wildfire mitigation plan, or, if permitted, settlement payments—
together, viewing the burden of ratepayers in the aggregate, rather than in isolation.

~~contributions in whole or in part.~~

~~(kj) Utility contribution. A publicAn investor owned electric utility's contributions to the wildfire relief fund, including initial and supplemental contributions, shall notmay be recovered from its customers in rates or, if authorized by law and approved by the Commission, via a securitization transaction, provided that any replenishment amount ordered by the public utilities commission pursuant to section -9 shall not be recovered in rates.~~

13. Require interest payments for annualized initial contribution. §8(m). (pp. 21-22.)

The fund benefits from receiving initial contributions in an upfront lump sum, because (a) it can invest those funds and (b) it faces less of a risk of a liquidity problem in the event of a wildfire. As with deferred payments in most contexts, then, this amendment clarifies that a contributor may annualize their initial contribution over five years, but must pay a reasonable rate of return to do so.

(m) A contributor may choose to request that the Administrator permit it to pay its initial contribution over a five-year period via upfront and annual payments, provided that

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the contributor also pays interest on an all amounts deferred beyond the Upfront Payment Date at a rate equal to the State of Hawaii's average incremental borrowing rate plus two hundred basis points.

14. Clarify timing of upfront and annual payments. §8(n). (p. 23.)

Consistent with the definition of Operation Date, we added a provision clarifying when the upfront payment must be made. The point of this timing provision is to provide as much time as is reasonably feasible for contributors to assemble the necessary funds for contributions after they are informed by the Administrator of their initial contribution amounts, while also providing a mechanism for the Administrator to accelerate payments if there is a wildfire.

basis points.

(n) The Upfront Payment Date shall refer to the date on which the upfront portion of all contributors' initial contributions must be paid to the Fund. The Administrator shall determine the Upfront Payment Date and announce it at least 90 days in advance. The Upfront Payment Date must be at least 30 days after the Operation Date, and in no event earlier than April 15, 2025, except that in the event that a catastrophic wildfire occurs prior to March 15, 2025, the Administrator may accelerate the Upfront Payment Date to 30 days after the Administrator provides notice to all contributors of the acceleration.

15. Add clarifying language to replenishment provision. §9(a). (p. 23.)

We clarified that a utility may have to pay the fund in the event it causes *or contributes to the severity* of a catastrophic wildfire. We incorporated the same test for other contributors. That language reflects similar language in SB 3344 SD 2.

16. Add presumption of prudence if there is a wildfire risk mitigation plan. §9(b). (p. 23.)

The original version of HB 2700 stated that, in a PUC review, the utility's conduct will be presumed. We proposed edits to restore the presumption. First, to clarify, this presumption has nothing to do with civil liability or lawsuits; it is strictly limited to a PUC review. Second, the presumption harmonizes the Wildfire Relief Fund with other laws establishing a PUC-approved wildfire mitigation plan. The presumption reflects that the PUC has evaluated and approved wildfire mitigation plans based on principles of reasonableness and prudence. At the same time, the presumption isn't absolute; if a serious doubt is raised about the utility's prudence, the presumption falls away. Our proposal mirrors the California statute, as well as the approach taken by the Federal Energy Regulatory Commission.

(b) The public utilities commission shall evaluate the prudence of the conduct of the ~~public investor-owned~~ utility in connection with a catastrophic wildfire. ~~The public utilities commission as follows:~~

(1) If the investor-utility has a wildfire risk mitigation plan that was approved by the public utilities commission, the investor-utility's conduct will be deemed to have been prudent, unless a party to the proceeding creates a serious doubt as to the prudence of the investor-owned utility's conduct; or

(2) If the investor-utility does not have a wildfire risk mitigation plan that was approved by the public utilities commission, or if the public utilities commission determines that the presumption is overcome, the public utilities commission shall determine whether the ~~public investor-owned~~ utility acted prudently, considering only acts that may have caused the ignition and evaluating the ~~public~~-utility's actions in the context of the ~~public~~-utility's overall systems, processes, and programs, such that an error by a ~~public~~-utility employee would not be a basis for a finding of imprudence, unless that error ~~resulted from any~~ was the result of an imprudent system, process, or program.

17. Add payment amounts to beneficiaries. §§13, 14. (pp. 29-31.)

We filled in important blanks: an uninsured property owner can receive a maximum of \$50,000 from the fund; an insured property owner can receive the lesser of (a) 35% of uninsured losses or (b) 50% of their insurance coverage; and a property insurer can receive 20% of their payments to their policyholders.

These amounts are fair for a number of reasons. First, participants all get this benefit without a cash payment—including when a catastrophic wildfire is not caused by any contributor, let alone a contributor with the funds to cover all property damage claims. Thus, the amount cannot simply be the average settlement amount of claims against a creditworthy contributor—it must reasonably be lower. Second, the amounts reflect an important purpose of the fund: to encourage parties to cover property damage through insurance. The fund is not intended to replace

insurance. Ideally, all property owners would acquire sufficient coverage to protect against property damage from wildfires—and the fund would serve only as a way of compensating property insurers and supporting them in providing that insurance.

18. Clarify timing of property insurer election. §14. (p. 30.)

This edit clarifies that the property insurer election date is the same as the property owner opt-out date.

19. Provide Administrator more time to avoid depletion event. §16(c). (p. 33.)

This provision allows the Administrator to extend the time to avoid a depletion event by finding other sources of funding for the fund. This avoids a scenario where an administrator could get a loan or supplemental payment—but needs an additional few weeks to do so.

(c) Depletion event. If the administrator is unable, despite taking the steps under subsection (b), to secure sufficient additional funding for the ~~wildlifewildfire~~ relief fund, including credible pledges for future funding, to reverse the administrator's assessment under subsection (ab) within ~~forty-five~~forty-five days, the administrator shall declare the existence of a depletion event. The administrator may, for good cause, extend this time period by an additional 30 days.

20. Toll statute of limitations for property owners or insurers in the event of a fund depletion. §16(f)(3). (p. 34.)

The fund contemplates that, if there is a fund depletion event that will result in property owners or insurers receiving less than the amounts the fund was intended to provide, then these beneficiaries may elect to reject the fund's offer and sue. This provision protects them, by tolling the statute of limitations for any such claim from the time of the catastrophic wildfire to the time the administrator makes them a depletion offer.

21. Clarify appeal timing. §17. (pp. 35-36.)

This fills in the blanks in the appeal provision—using 30 days, which is standard across Hawaii statutes.

22. Clarify property owners cannot waive insurer claims. § 18(a)(2)(C). (p. 6.)

In response to a comment from an insurer, we have added a provision clarifying that a property owner who does not opt out of the fund cannot and does not waive an insurer's right to sue for subrogated property damage.

23. State reserve appropriation. Section 4. (p. 43.)

This requires an appropriation of a reserve—which is a requirement under Hawaii law for a State pledge of money to be effective.

commerce and consumer affairs for the purposes of this Act.

SECTION 4: On the Operation Date, there is appropriated out of the general revenues of the State of Hawaii the sum of \$32.4 million as a reserve against the contingent guarantee set forth in -8(m).

A BILL FOR AN ACT

RELATING TO WILDFIRES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that as the risk of catastrophic wildfires in Hawaii has increased, so has the threat of property damage from such fires. Although most property owners have insurance, some do not, and others' insurance may not fully cover their losses.

The legislature further finds that when the cause of a wildfire is uncertain or contested, costly and protracted litigation ensues. Litigation regarding wildfire damages can impose massive costs, including on the State, counties, utilities, landowners, and other defendants that may be alleged to have contributed to catastrophic wildfires. Such costs can overwhelm these major institutions of the community, undermining their ability to make investments that the State needs. Indeed, even the possibility of litigation regarding a future catastrophic wildfire can create a cloud of uncertainty that threatens to impair the ability of these entities to attract capital on reasonable terms--capital that is vital to make

investments in wildfire prevention, among other priorities. Such an outcome harms everyone.

The legislature also finds that the risk of property damage stemming from catastrophic wildfires may lead property insurers to raise rates or refuse to provide coverage for certain losses, or certain high-risk areas, of Hawaii--as occurred in the wake of hurricane Iniki with respect to hurricanes.

The legislature additionally finds that it is in the public interest to take steps to ensure that property insurance remains available to cover losses associated with wildfires by providing benefits to property insurers. Furthermore, the legislature finds that it is in the public interest to ensure that the threat of wildfires does not make investment in Hawaii's public utilities so financially risky that it becomes too costly or impossible for them to raise capital to implement vital plans, including plans to mitigate wildfire risk, and to provide safe, reliable, and affordable service to the people of the State.

Moreover, the legislature finds that it is in the public interest to avoid the costs of litigation arising out of catastrophic wildfires in order to protect Hawaii's economy and encourage investment in the State. Therefore, the purpose of this Act is to serve the public interest in the event of a devastating wildfire by establishing a response to provide compensation for property damage resulting from wildfires, regardless of cause.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER

WILDFIRE RELIEF FUND

§ -1 Definitions. As used in this chapter:

"Administrator" means the wildfire relief fund administrator appointed pursuant to section -5.

"Board" means the wildfire relief fund board of directors created pursuant to section -4.

"Catastrophic wildfire" means a wildfire occurring on or after the ~~effective date~~Operation Date of this Act that damages or destroys more than five hundred ~~residential or~~ commercial structures or residential structures designed for habitation.

"Contributor" means any person who contributes to the wildfire relief fund as provided in section ~~-7-8.~~

"Cooperative utility" means an electric utility owned by customers and overseen by a board of directors elected by customers.

"Corporation" means the wildfire relief fund corporation established pursuant to section -3.

"Electric utility" means a public utility that exists for the furnishing of electrical power.

"Eligible claim" means a claim made by a property owner, or the property owner's designated representative, for real or personal property lost or damaged due to a catastrophic wildfire.

"Investor-owned utility" means ~~a publican electric~~ utility that is owned by shareholders and overseen by a board of directors elected by shareholders.

"Operation Date" means the date by which all of the following have occurred in advance of the first year of fund operation: (i) the deadline for property owners to submit opt-outs under section -13(d), (ii) the deadline for property insurers to submit elections under section -14(a), and (iii) the date for contributors to elect to participate in the fund under section -7(b); provided, that the Administrator is directed to take all reasonable steps necessary to ensure that the Operation Date is not later than February 14, 2025.

"Other governmental entities" refers to governmental entities, including county government agencies, other than state government agencies.

"Property Insurer" means an insurer licensed to provide insurance in Hawaii that, as of the date it elects to participate in the wildfire relief fund, provides insurance coverage for real or personal property loss in Hawaii caused by a catastrophic wildfire.

"Property Owner" means an owner of real property in Hawaii.

"Public utility" has the same meaning as defined in section 269-1.

"Upfront" payment or contribution means the portion of a contribution, whether initial or supplemental, by a contributor that is paid in a lump sum on a date designated by the

Administrator or this Chapter, by contrast to "annual" payments or contributions which are deferred over multiple years.

"Wildfire relief fund" means the wildfire relief fund established pursuant to section -2.

"Wildfire risk mitigation plan" means a plan approved by the public utilities commission pursuant to section -9.

§ -2 **Wildfire relief fund; establishment.** (a) There ~~shall be~~is established outside the state treasury a wildfire relief fund and any accounts thereunder to carry out the purposes of this chapter.

(b) The wildfire relief fund shall be placed within the department of commerce and consumer affairs for administrative purposes. The ~~wildfire relief~~ fund shall be a public body corporate and politic.

(c) Moneys deposited in the wildfire relief fund and any accounts thereunder shall be held by the ~~wildfire relief~~ fund, as trustee, in a depository, as defined in section 38-1, or according to a similar arrangement at the discretion of the board.

(d) All moneys received by the wildfire relief fund corporation under this chapter shall be paid immediately to the director of finance and shall become a part of the wildfire relief fund.

(e) All payments authorized to be made by the corporation by this chapter, including all payments for claims for catastrophic wildfire damages, all salaries, and all other expenses, shall be made from the wildfire relief fund.

(f) The moneys in the wildfire relief fund shall be invested according to the same investment plans developed for the Hawaii retirement savings special fund pursuant to chapter 389, and the earnings from ~~the~~ investments shall be credited to the wildfire relief fund.

(g) All moneys in the wildfire relief fund shall be appropriated and expended exclusively for the uses and purposes set forth in this chapter; provided that this section shall not be deemed to amend or impair the force or effect of any law of this State specifically authorizing the investment of moneys from the wildfire relief fund.

(h) The wildfire relief fund shall not be subject to chapter 431.

§ -3 Wildfire relief fund corporation; establishment; purposes; duties. (a) ~~There shall be established the~~The wildfire relief fund corporation, ~~which shall be~~ is hereby established as an independent public ~~body and a~~ body corporate and politic.

(b) The corporation shall be established within the department of commerce and consumer affairs for administrative purposes.

(c) The purpose of the corporation shall be to administer the payment of:

- (1) Eligible claims arising from catastrophic wildfires from the wildfire relief fund; and
- (2) Contributions of contributors to the wildfire relief fund.

(d) The corporation shall:

- (1) Receive, process, and determine payments for eligible claims for property damage arising from catastrophic wildfires from the wildfire relief fund;
- (2) Determine and enforce the collection of contributions from contributors to the wildfire relief fund;
- (3) Retain, employ, or contract with officers; experts; employees; accountants; actuaries; financial professionals; and other advisers, consultants, attorneys, and professionals, as may be necessary in the administrator's judgment, for the efficient operation, management, and administration of the corporation;
- (4) Enter into contracts and other obligations related to the operation, management, and administration of the corporation;
- (5) Purchase insurance or take other actions to maximize the claims-paying resources of the wildfire relief fund;
- (6) Pay costs, expenses, and other obligations of the corporation from the wildfire relief fund's assets;
- (7) Take any actions necessary to collect any amounts owed to the wildfire relief fund; and
- (8) Undertake other activities related to the operation, management, and administration of the wildfire relief fund, as approved by the board.

§ -4 **Wildfire relief fund corporation; board of directors.** (a) There shall be established a wildfire relief fund board of directors, which shall consist of five members appointed by the governor in accordance with section 26-34. The board shall be the policy-making body of the corporation. The board shall be responsible for adopting policies for the administration and operation of the wildfire relief fund and the performance of other duties and functions assigned to the wildfire relief fund, to the degree not specified in this chapter.

(b) The members of the board shall serve staggered terms, with ~~one-half of the~~three members' initial terms ending four

years after the initial appointment, and ~~one-half of the~~two members' initial terms ending six years after the initial appointment. Thereafter, each member shall serve four-year terms. Vacancies shall be filled for the remainder of any unexpired term in the same manner as the original appointments.

(c) The chairperson of the board shall be elected from among the appointed members of the board. A majority of all members currently appointed to the board shall constitute a quorum to conduct business, and the concurrence of a majority of all members currently appointed to the board shall be necessary to make any action valid, ~~unless~~if not otherwise specified in this chapter.

(d) Members of the board shall be appointed to ensure:

(1) A broad and balanced representation, with proper judgment, character, expertise, skills, and knowledge useful to the oversight of the corporation; and

(2) Diversity with regard to viewpoints, background, work experience, and demographics.

The members of the board shall serve without compensation but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred in the discharge of their duties.

(e) The board shall meet at least once every three months at a time and place determined by the board. The board shall meet at other times and places as determined by the call of the chairperson or by a majority of the members of the board.

(f) No later than twenty days before the convening of each regular session of the legislature, the board shall submit to the

legislature and governor a report regarding the activities and operations of the corporation during the preceding year. The report shall include, at a minimum, a description of:

- (1) The effectiveness of the wildfire relief fund's claims-payment process; and
- (2) The level of participation in the wildfire relief fund by all eligible participants, including property owners, property insurers, and contributors.

(g) Each member of the board shall retain all immunities and rights provided to a member pursuant to section 26-35.5.

§ -5 Wildfire relief fund corporation;
administrator. (a) The board shall appoint an administrator and oversee the administrator's management and administration of the corporation.

(b) The administrator shall serve at the pleasure of the board and shall be exempt from chapter 76.

(c) The administrator shall have powers as are necessary to carry out the functions of the corporation, subject to the policy direction of the board.

(d) The administrator may employ, terminate, and supervise employees, including assistants, experts, field personnel, and clerks, as may be necessary in the administration of the corporation.

(e) The board may overturn any decision of the administrator through a majority vote.

(f) At the direction of the board, the administrator shall prepare and present for approval a plan of operations related to the operations, management, and administration of the wildfire relief fund on an annual basis. At least annually and at the

direction of the board, the administrator shall present the plan of operations to the appropriate policy committees of the legislature. The plan shall include but not be limited to reporting on the wildfire relief fund's assets and projections for the duration of the wildfire relief fund.

(g) At the direction of the board, the administrator shall at least annually prepare and publish on the corporation's website a public-facing report that describes the operations and activities of the corporation and wildfire relief fund during the preceding year, including a description of the financial condition of the wildfire relief fund.

§ -6 Wildfire relief fund and corporation;
audit. (a) The auditor shall conduct an annual financial audit of the corporation and wildfire relief fund pursuant to chapter 23. As part of this audit, the auditor may contract with a firm qualified to perform an independent actuarial review.

(b) The auditor shall determine the scope of the review required by this section, which shall include but not be limited to:

- (1) A review of the sources and uses of the moneys in the wildfire relief fund;
- (2) A reconciliation of changes in actuarial assumptions and reserve values from the preceding year;
- (3) An examination of the development of claim reserve inadequacies or redundancies over time; and
- (4) An assessment of the future financial viability of the wildfire relief fund.

(c) The corporation shall cooperate with the actuarial firm in all respects and shall permit the firm full access to all

information the firm deems necessary for a true and complete review. Information provided to the actuarial firm conducting the annual review shall be subject to the same limitations on public inspections as are required for the records of the corporation.

(d) The audit required by this section shall be conducted using both generally accepted accounting principles and the statutory accounting principles published by the National Association of Insurance Commissioners.

(e) The cost of the audit required by this section shall be paid by the corporation.

(f) The auditor shall issue an annual report to the ~~legislature and~~ governor, president of the senate, and speaker of the house of representatives on the results of the audit and review. The audit and report of the review performed by the independent actuarial firm shall be available for public inspection, in accordance with the auditor's established rules and procedures governing public disclosure of audit documents.

§ -7 Wildfire relief fund; participation. (a) The following entities may participate in the wildfire relief fund as contributors:

(1) The State;

(2) Electric utilities;

(3) Public utilities that are not electric utilities that contribute to the risk of occurrence or severity of a catastrophic wildfire, including ~~but not limited to~~ public utilities for the production, conveyance, transmission, delivery, or furnishing of gas and for the conveyance of telecommunications messages;

(4) Other governmental entities; and

(5) Private ~~landowners~~property owners who own, or whose affiliated persons or entities own in the aggregate, at least one thousand acres of land in Hawaii.

(b) (1) To participate in the wildfire relief fund as a contributor, an entity shall:

~~(1i)~~ Notify the administrator that it intends to participate in the wildfire relief fund by a date set by the Administrator in the year preceding the year in which the entity seeks to participate in the wildfire relief fund; and

~~(2ii)~~ ~~Have made~~Make required contributions to the wildfire relief fund pursuant to section -8.

(2) By making the election under subsection (b)(1), the participant is required to make an initial contribution.

(c) A contributor that is also a property owner in Hawaii may make a claim to the wildfire relief fund for compensation in the same manner provided for in section -13 as other property owners; provided that the contributor:

(1) Shall retain all of the rights, privileges, and obligations of a contributor; and

(2) Notwithstanding any other provisions of this chapter and regardless of the existence of a depletion event under section -16(c), shall be bound by the limitation on claims under section -18.

(d) Any person or entity that poses a risk of causing or exacerbating the severity of a catastrophic wildfire that is not eligible to participate as a contributor in the wildfire relief fund may submit an application to the board for participation.

(e) The board shall adopt rules pursuant to chapter 91 and issue criteria for applications submitted under subsection (d).

(f) The board shall include in its annual report to the legislature and governor under section -4 all applications submitted under subsection (d) and shall recommend to the

legislature whether participation criteria for contributors should be broadened.

(g) Notwithstanding any provision to the contrary, an electric utility that is a defendant in a civil action as of the effective date of this chapter related to an event that, if it occurred on or after the Operation Date of this chapter, would qualify as a catastrophic wildfire, may participate in the fund only if the utility provides, and the commission approves, a plan that satisfies the following conditions:

- (1) The plan limits the burden to the rate payers of the electric utility;
- (2) The plan provides for a review of organizational structure of the electric utility and its lines of business;
- (3) The plan provides for a review of local governance and accountability, including a potential modification of the governance structure and the management and board of directors of the electric utility to emphasize safety and customers' interests;
- (4) The plan includes a framework for addressing wildfire safety and risk management, including monitoring, review, oversight and enforcement by the public utilities commission, and performance-based utility regulation, as defined by the public utilities commission; provided that executive compensation shall exclude any incentives associated with this chapter;
- (5) The plan permits periodic performance-based management audits of the public utility;
- (6) The plan is consistent with meeting the public utility's and the State's renewable portfolio standards, mandates, and obligations; and
- (7) The utility has an approved risk-based wildfire protection plan approved by the public utilities commission; provided that the public utilities commission shall determine the timeline for the plan and when utility participation may begin within the timeline.

(h) In the event that any agency of the State requires any contributor other than an electric utility to submit a plan to

mitigate wildfire risk, such agency may prohibit a contributor from participating in the fund as a contributor until the agency approves the contributor's plan.

(i) An electric utility that is required to submit for approval a plan under subsection (g) may make the election under subsection(b)(1) prior to approval of a plan under subsection (g), but shall not make any money contribution prior to such approval. The utility shall not be deemed to have failed to make a required payment under -10(b), provided it otherwise complies with this subsection (i). In the event that the commission approves the plan after the Upfront Payment Date, but within one year of the Operation Date, the utility that submitted the plan may participate in the fund as a contributor, and shall be afforded all rights and privileges under this Chapter of a contributor as of the Operation Date, by making an Upfront payment within 30 days of that approval, notwithstanding any earlier deadlines in this Chapter. In the event that the commission approves the plan more than one year after the Operation Date, the utility that submitted the plan may participate as a contributor only under section -8(e), and will not be considered a contributor prior to that later election date. The wildfire relief fund will have no claim against a utility for failing to make any money contribution on the basis that the commission has not yet approved a plan under subsection (g).

§ -8 Wildfire relief fund; funding. (a) Total capitalization. The total capitalization amount of the wildfire relief fund shall be \$ ~~_____~~ one billion dollars. Neither the board nor the administrator may modify the total capitalization amount, except as otherwise expressly provided in this chapter.

~~(b) Actuarial study. The board shall commission an actuarial study to be completed in 2024 to assess whether the total capitalization amount should be increased or decreased based on a holistic assessment of the risk of catastrophic wildfires in Hawaii and the potential exposure of the wildfire relief fund to claims arising out of such catastrophic wildfires. The board shall include this assessment in the annual report that it submits to the legislature and governor under section _____4.~~

(eb) Time to total capitalization. The administrator shall recommend to the board, and the board shall, by majority vote, approve initial contribution amounts ~~under \$ _____~~ for potential contributors, other than the State and investor-owned electric utilities, based on the actuarial factors identified in subsection (bc) and with the goal of, to the extent reasonably possible, having the wildfire relief fund ~~reach~~ have the financial capacity to cover claims equal to the total capitalization amount within five years of the ~~effective date of this Act~~ Operation Date, taking into consideration reasonably expected investment returns, actual and expected contributions to the fund, contingent guarantees, insurance purchased by the fund, and any other mechanisms that increase the financial capacity of the

fund, and assuming no payments will be made by the wildfire relief fund during that time period.

(~~dc~~) Capitalization amounts. With the exception of the State's money contribution ~~made by the State and pledge as~~ described in paragraph (4), initial contribution amounts ~~shall~~may be divided by the administrator, at a contributor's request, into an initial upfront contribution amount to be made by the Upfront Payment Date as detailed in sub-section (o), and annual contribution amounts to be made over a the first five-year period after the Operation Date, subject to the interest payment identified in subsection (m), and the administrator's ability to increase payments under the insufficient funding provision in subsection (~~gf~~).

The wildfire relief fund shall be capitalized by the following initial contributions:

(1) From public utilities other than investor-owned electric utilities, private property owners, and other governmental entities that are eligible to participate in the wildfire relief fund, ~~an~~:

(a) Collectively, \$333.3 million;

(b) From other governmental entities that are eligible to elect to participate in the wildfire relief fund, a fraction of such amount determined by the administrator based on an actuarial assessment of the risk of payments to these entities by the ~~wildfire relief~~ fund resulting from catastrophic wildfires created by ~~the~~these entities, as well as the risk of potential payments made by the ~~wildfire relief~~ fund resulting from catastrophic wildfires created by these entities;

~~(2c) From~~For public utilities other than investor-owned electric utilities, and ~~private landowners that are in all cases eligible to participate in the wildfire relief fund, and~~ from private property owners, a fraction of such amount determined by the administrator based on an actuarial assessment of the risk of potential payments by the wildfire relief fund resulting from catastrophic wildfires created by ~~these entities~~such entity;

(3) From investor-owned electric utilities, \$———; ~~provided that there shall be different contribution amounts required by investor-owned utilities and non-investor owned utilities, taking into account the differences in revenues and assets between the ownership models; and~~ 333.3 million; and

(4) From the State, \$333.3 million, comprised of a \$9.3 million money contribution and a pledge of \$324 million under Section -8(l).

(~~ed~~) The board shall determine the initial contribution amounts of eligible contributors by —————; ~~provided that this date is~~ thirty days before the date by which participants are required to notify the administrator of their intention to participate in the wildfire relief fund under -7(b). If an eligible contributor declines to notify the administrator that the eligible contributor wishes to participate in the wildfire relief fund in its first year of operation and become a contributor, the board shall reduce the total capitalization amount by subtracting the amount the board allocated to that eligible contributor.

(~~fe~~) If an electric utility, public utility other than an electric utility, other governmental entity, or private landowner elects to become a contributor after the ~~initial capitalization of the wildfire relief fund, the electric utility, public utility other than an electric utility, other governmental entity, or private landowner shall provide, by~~ ————— ~~in the year before the year in which the electric utility, public utility other than an electric utility, other governmental entity, or private landowner seeks to become a contributor, an initial contribution in an amount determined by the board by a majority vote upon the administrator's recommendation~~ Operation Date, the board shall

determine required contribution amounts, which may be, at the discretion of the board, made in upfront and annual payments, based on an up-to-date consideration of the factors identified in subsection (b), ~~such that the previous and present initial contributions by all contributors reflect their relative contributions to the risk of future payments from the wildfire relief fund.~~c), and the Board shall increase the total capitalization amount in accordance with those contribution amounts.

~~— If necessary to achieve such an allocation of initial contributions, and if the election is made before the fifth year of the wildfire relief fund's operation, the administrator shall reduce the amount of annual contributions by one or more contributors who previously made initial contributions until such an allocation is reached. The administrator shall increase the total capitalization amount of the wildfire relief fund by the amount of the initial contribution of the new wildfire relief fund contributor. The administrator may, in the administrator's discretion, permit a new contributor under this subsection to make payments over a five-year period.~~

(gf) Insufficient funding. If the administrator determines that payments made by the wildfire relief fund, and expected future contributions by contributors and investment returns, will result in the ~~wildfire relief~~ fund's: failing to reach the total capitalization amount, as adjusted, as applicable, under subsection (a), by the fifth year of operation after the Operation Date; or falling below the total capitalization amount

after the fifth year— of operation after the Operation Date,
including, in either case, as a result of the legislature
increasing the total capitalization amount—, the administrator
shall recommend that the board establish a supplemental
contribution to be contributed to the wildfire relief
fund. Responsibility among contributors for the supplemental
contribution shall be allocated as follows:

(1) The administrator shall recommend to the board, and the board shall determine by majority vote, the respective portions of the supplemental contribution amount to be paid by each electric utility, other public utility~~other than an electric utility~~, other governmental entity, and private landowner contributor, based on an up-to-date assessment of the factors identified in subsection (bc); and

(2) The remaining amount of the supplemental amount, but not more than the largest contribution by other contributors, shall be paid by the State, subject to legislative appropriation.

(hg) The administrator may allow contributors to pay supplemental contributions via annual contributions, or in part via an initial upfront contribution followed by annual contributions, unless the administrator determines that ~~this a~~ contribution schedule will create a material risk that the wildfire relief fund will not reach or return to its total capitalization amount within a reasonable period of time to perform the functions identified in this chapter. The Administrator may permit annual supplemental contributions, rather than solely an upfront contribution, subject to the payment of interest at the rate set under subsection (m).

(ih) If the board establishes a supplemental contribution pursuant to subsection (gh), before the wildfire relief fund receives the supplemental contribution, the wildfire relief fund

may issue revenue bonds up to the amount of the supplemental contribution, which shall be backed by future contributions to the wildfire relief fund.

(~~j~~i) The board may order supplemental contributions under this chapter even if an investigation under the replenishment process under section -9 is ongoing. In the event that payments are later made under that replenishment process, the board, provided that other conditions of the refunds section are met pursuant to section -11, may refund supplemental contributions in whole or in part.

(~~k~~j) Utility contribution. ~~A public~~An investor owned electric utility's contributions to the wildfire relief fund, including initial and supplemental contributions, ~~shall not~~may be recovered from its customers in rates or, if authorized by law and approved by the Commission, via a securitization transaction, provided that any replenishment amount ordered by the public utilities commission pursuant to section -9 shall not be recovered in rates.

(~~l~~k) If the total amount of payments that the administrator determines should be paid in connection with a catastrophic wildfire pursuant to sections -13, -14, and -15 exceeds the current balance of the wildfire relief fund, the State may provide a loan to the wildfire relief fund in an amount up to the depletion percentage, as determined by section -16(d). The loan shall be repaid over time through annual contributions by contributors.

(1) The State shall make its initial money contribution of \$9.3 million to the Fund as soon as practicable after the effective date, to be used to pay for Fund operations in advance of the Operation Date. The State shall irrevocably pledge to appropriate and provide up to \$324 million, as follows. In the event that a catastrophic wildfire occurs, and the Administrator determines that the amount the wildfire relief fund is obligated to pay to property owners, property insurers, the State, and other governmental entities has exceeded or will exceed the total moneys in the Fund, the Administrator shall demand, and the State shall be obligated to provide, a contribution to the wildfire relief fund. The Administrator shall demand, and the State shall provide, this contribution before the Administrator seeks additional funding through supplemental contributions under section -8(f), or loans under section -8(k). The obligation to provide this money in the event that the requirements of this subsection are met constitutes an irrevocable guarantee of the State, backed by the full faith and credit of the State. At no time shall the aggregate amount of the State's financial responsibility to the fund, contingent or otherwise, under this sub-section exceed \$324 million. The Administrator, in making the calculations under -8(f), -11(a), and -16, shall treat the amount remaining on this pledge as capital in the wildfire relief fund for purposes of computing the total capitalization of the fund.

(m) A contributor may choose to request that the Administrator permit it to pay its initial contribution over a

five-year period via upfront and annual payments, provided that the contributor also pays interest on an all amounts deferred beyond the Upfront Payment Date at a rate equal to the State of Hawaii's average incremental borrowing rate plus two hundred basis points.

(n) The Upfront Payment Date shall refer to the date on which the upfront portion of all contributors' initial contributions must be paid to the Fund, except for the State. The Administrator shall determine the Upfront Payment Date and announce it at least 90 days in advance. The Upfront Payment Date must be at least 30 days after the Operation Date, and in no event earlier than April 15, 2025, except that in the event that a catastrophic wildfire occurs prior to March 15, 2025, the Administrator may accelerate the Upfront Payment Date to 30 days after the Administrator provides notice to all contributors of the acceleration.

§ -9 Replenishment of the wildfire relief fund;
determination of prudence. (a) If the administrator, or an agency of the State with responsibility for determining the causes of wildfires ~~or catastrophic wildfires~~, informs the public utilities commission that ~~a catastrophic wildfire may have been ignited by~~ the facilities of a publican investor-owned utility that is a contributor may have caused the occurrence or contributed to the severity of a catastrophic wildfire, the public utilities commission shall initiate a proceeding to review the public investor-owned utility's conduct leading to the catastrophic wildfire and make findings. The public utilities

commission may, even without formal notice from the administrator or the agency, initiate this proceeding of its own accord.

(b) The public utilities commission shall evaluate the prudence of the conduct of the ~~public~~investor-owned utility in connection with a catastrophic wildfire. ~~The public utilities commission as follows:~~

(1) If the investor-utility has a wildfire risk mitigation plan that was approved by the public utilities commission, the investor-utility's conduct will be deemed to have been prudent, unless a party to the proceeding creates a serious doubt as to the prudence of the investor-owned utility's conduct; or

(2) If the investor-utility does not have a wildfire risk mitigation plan that was approved by the public utilities commission, or if the public utilities commission determines that the presumption is overcome, the public utilities commission shall determine whether the ~~public~~investor-owned utility acted prudently, considering only acts that may have caused the ignition and evaluating the ~~public~~ utility's actions in the context of the ~~public~~ utility's overall systems, processes, and programs, such that an error by a ~~public~~ utility employee would not be a basis for a finding of imprudence, unless that error ~~resulted from any~~was the result of an imprudent system, process, or program.

(c) In evaluating prudence under this section, the public utilities commission shall determine whether the actions of the ~~public~~investor-owned utility were consistent with actions that a reasonable ~~public~~ utility would have undertaken in good faith under similar circumstances, at the relevant point in time, and based on the information available to the ~~public~~investor-owned utility at the relevant point in time.

Reasonable conduct shall not be limited to the optimum practice, method, or act to the exclusion of others, but rather shall encompass a spectrum of possible practices, methods, or acts consistent with utility system needs, the interest of

ratepayers, and the requirements of governmental agencies of competent jurisdiction.

(d) If the public utilities commission determines that imprudent conduct by the publicinvestor-owned utility caused the occurrence or contributed to the severity of a catastrophic wildfire, the public utilities commission shall determine whether to order the ~~public~~-utility to reimburse the wildfire relief fund in whole or in part for payments from the ~~wildfire relief~~-fund made in connection with the catastrophic wildfire. In determining the amount of reimbursement, if any, the public utilities commission shall consider the extent and severity of the ~~public~~-utility's imprudence and factors within and beyond the ~~public~~-utility's control that may have led to or exacerbated the costs from the catastrophic wildfire, including but not limited to humidity, temperature, winds, fuel, merged wildfires with independent ignitions, third-party actions that affected the spread of the wildfire, and fire suppression activities.

(e) The public utilities commission shall not order the publicinvestor-owned utility to reimburse the wildfire relief fund in an amount that exceeds the lesser of:

(1) The costs that the public utilities commission determines were due to the publicinvestor-owned utility's imprudence; or

(2) Twenty per cent of the publicinvestor-owned utility's transmission and distribution equity rate base minus the amounts the ~~public~~-utility has reimbursed, or is required to reimburse, the wildfire relief fund during the period of three consecutive calendar years ending on December 31 of the year in which the calculation is being performed.

(f) If the public utilities commission orders the ~~public~~investor-owned utility to reimburse the wildfire relief fund, the ~~public~~-utility shall not recover the amount of the reimbursement in rates charged to ratepayers.

(g) If the administrator, or an agency of the State with responsibility for determining the causes of wildfires or other catastrophic wildfires, concludes that the conduct of ana cooperative utility, other governmental entity, or ~~private~~ landownerproperty owner that is a contributor may have caused the occurrence or contributed to the severity of a catastrophic wildfire, the administrator shall assess the prudence of the contributor's conduct, applying the same standard of prudence applied to ~~public~~investor-owned utilities pursuant to subsection (c).

(h) If the administrator determines that the contributor acted imprudently and that the imprudence caused or contributed to the severity of the catastrophic wildfire, the administrator shall recommend that the board require ~~the~~such contributor to reimburse the wildfire relief fund in whole or in part for payments that the ~~wildfire relief~~-fund made in connection with the catastrophic wildfire, considering the factors set forth in subsection (d), subject to a cap of ten per cent of the contributor's assets within Hawaii, measured over a rolling three-year period.

§ -10 **Failure to make contributions to wildfire relief fund.** (a) Contributors shall notify the administrator if they will make, or fail to make, a ~~required~~supplemental contribution,—

~~whether initial, annual, or supplemental,~~ to the wildfire relief fund at least 30 days before the contribution is due.

(b) If a contributor fails to make a required contribution to the wildfire relief fund, that contributor will no longer be a contributor as of the date that the contribution was due. That entity may, however, rejoin the ~~wildfire relief~~ fund under the process for joining the ~~wildfire relief~~ fund after initial capitalization set forth in section -8.

(c) The administrator shall not refund to an entity that fails to make a contribution any previous payments made to the wildfire relief fund. However, the administrator shall credit all previous contributions when determining the amount of payment to be made if a participant rejoins the ~~wildfire relief~~ fund under subsection (b).

§ -11 Refunds. (a) In the event that the total amount in the wildfire relief fund exceeds one hundred twenty per cent of the total capitalization amount, the administrator may recommend that the board authorize refunds to be made to the contributors; provided that the refunds do not deplete the wildfire relief fund below one hundred twenty per cent of the total capitalization amount.

(b) Refunds shall be made in proportion to the total ~~amount~~money contributed by the contributors to the wildfire relief fund as of the date of the refund, excluding any payments made under the replenishment provisions under section -9.

(c) The administrator has no obligation to recommend, and the board has no obligation to authorize, a refund. The board

shall make a refund only if it takes into consideration all relevant factors and circumstances and determines that making a refund will be unlikely to result in the wildfire relief fund's falling below one hundred twenty per cent of total capitalization within three years after the refund.

(d) Any contributor may request that the board make a refund whenever the conditions under this section are met.

(e) If the board elects to issue a refund or elects not to do so after receiving a request under subsection (d), the administrator shall issue an order explaining the board's decision.

§ -12 Processing of claims. (a) With the approval of the board, the administrator shall establish and approve procedures for the review, approval, and timely payment of claims for reimbursement from the wildfire relief fund. The procedures may be revised from time to time by the administrator with the approval of the board.

(b) In the event of a catastrophic wildfire within the State, the administrator shall process claims made for compensation against the wildfire relief fund related to the catastrophic wildfire, consistent with the requirements of this chapter.

§ -13 Claims by property owners. (a) To be eligible for compensation from the wildfire relief fund for recovery of uninsured damage to property from a catastrophic wildfire, a property owner shall not have opted out from participation in the

wildfire relief fund before the occurrence of the catastrophic wildfire.

(b) County tax assessors shall include, with each real property tax assessment sent to ~~a property~~an owner of real property in the State, a prominent notice regarding participation in the wildfire relief fund. The notice shall be in a form prescribed by the administrator and shall clearly explain the property owner's right to opt out of participation in the wildfire relief fund by submitting a request to opt out to the administrator within a specific time. A property owner who does not submit a timely request to opt out shall be deemed to participate in the wildfire relief fund as of the deadline for submitting a request to opt out.

(c) Any costs of administering the process described in subsection (b) shall be reimbursed by the wildfire relief fund.

(d) ~~In order to~~To opt out of participation in the wildfire relief fund with regard to property ~~either~~in areas within the State that have been assigned extreme, high, and moderate wildfire risk classes by the Department of Land and Natural Resources, a property owner shall submit documentation of insurance coverage for the property along with the property owner's request to opt out of the wildfire relief fund, and the administrator shall approve the documentation as adequate evidence of insurance for the applicable property.

(e) Following a catastrophic wildfire, to make a claim for compensation from the wildfire relief fund for uninsured damage to real or personal property from the ~~catastrophic~~wildfire, a

property owner shall submit to the administrator documentation establishing:

- (1) That the catastrophic wildfire damaged the owner's property;
- (2) The extent of the losses to the owner's property caused by that catastrophic wildfire; and
- (3) Any insurance policy providing coverage for those losses.

(f) Within ninety days after a property owner submits a claim for compensation from the wildfire relief fund, including the documentation required in this section, the administrator shall determine whether the documentation is adequate and, if so, the appropriate amount of the payment to the property owner from the wildfire relief fund. If the administrator determines that the property owner has not submitted sufficient documentation for the administrator to evaluate the claim, the administrator may request additional documentation from the property owner and may set a date by which the additional information shall be provided—~~by the property owner.~~

(g) If no insurance policy provides coverage for the losses for which a property owner seeks compensation from the wildfire relief fund, the property owner shall be eligible to receive as compensation from the wildfire relief fund a maximum of \$50,000.

(h) If an insurance policy provides coverage for the losses for ~~which a property damage incurred by an eligible~~ property owner who seeks compensation from the wildfire relief fund, the property owner shall be eligible to receive as compensation from the wildfire relief fund only compensation for uninsured real or personal property damage, in an amount up to the lesser of:

(1) 35 per cent of the amount by which the property owner's losses exceed the amount of insurance coverage for the losses; or

(2) 50 per cent of the property owner's insurance coverage applicable to the losses; provided that the property owner submits adequate documentation of those losses, as required by this section.

§ -14 **Claims by property insurers.** (a) To be eligible for compensation from the wildfire relief fund, a property insurer shall have elected to participate in the fund before the annual policy period in which the catastrophic wildfire occurred. The administrator shall establish a process for property insurers to annually submit an election to participate in the ~~wildfire relief~~ fund to the administrator within a specified time. The date for submission of that election will be the same as the date for property owners to submit an opt-out under -13(b).

(b) All property insurers who elect to participate in the wildfire relief fund shall be eligible to receive as compensation from the wildfire relief fund 20 per cent of their total payments for property damage claims (including real or personal property) in Hawaii as a result of a catastrophic wildfire.

(c) Following a catastrophic wildfire, to make a claim for compensation from the wildfire relief fund based on claims resulting from the catastrophic wildfire, an eligible property insurer shall submit to the administrator documentation establishing the number, nature, and total value of the insurance claims that the property insurer paid pursuant to its policies for damage resulting from the catastrophic wildfire as well as

documentation sufficient to assess the reasonableness of the property insurer's payment of ~~the~~ claims.

(d) After receipt of a property insurer's claim for compensation from the wildfire relief fund, including the documentation required in this section, the administrator shall:

(1) Review via an expedited procedure the property insurer's claim for compensation from the wildfire relief fund; and

(2) Determine:

(A) Whether the documentation provided is adequate; and

(B) The appropriate amount of the payment to the property insurer from the ~~wildfire relief~~ fund.

§ -15 Claims by the State and other governmental entities. (a) The State may submit claims for compensation from the wildfire relief fund for damages it incurred resulting from a catastrophic wildfire, including damage to infrastructure or other property, costs of fire suppression, and natural resource damages, to the extent recovery of the losses is authorized by law.

(b) Other governmental entities may submit claims for compensation from the wildfire relief fund for damages they incurred resulting from a catastrophic wildfire, including damage to infrastructure or other property and other losses, to the extent recovery of the losses is authorized by law; provided that to be eligible for compensation from the wildfire relief fund related to a catastrophic wildfire, ~~the other~~another governmental entity shall elect to be a contributor ~~and shall have satisfied~~

~~contribution obligations~~ pursuant to section -87(b)(1)(i)

before the occurrence of the catastrophic wildfire.

(c) To make a claim under this section, the State or other governmental entity shall submit to the administrator documentation establishing:

- (1) That the catastrophic wildfire caused the damages;
- (2) The extent of the damages caused by the catastrophic wildfire; and
- (3) Any other documentation necessary to establish the State's or other governmental entity's right to recover the losses pursuant to law.

(d) After receipt of a claim for compensation from the wildfire relief fund pursuant to this section, the administrator shall determine whether the State or other governmental entity is authorized to recover damages under applicable law and, if so, the appropriate amount of the payment.

§ -16 Fund depletion. (a) Within thirty days of a catastrophic wildfire, the administrator shall assess whether the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, and the State, and other governmental entities under sections -13, -14, and -15, respectively, are expected to exceed seventy-five per cent of the total available money remaining in the wildfire relief fund . The board shall adopt rules pursuant to chapter 91 regarding the performance of this assessment.

(b) If the administrator assesses pursuant to subsection (a) that the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, and the State, and other governmental entities under sections

-13, -14, and -15, respectively, are expected to exceed seventy-five per cent of the total available money remaining in the wildfire relief fund, the administrator shall seek to increase the total amount of money in the ~~wildfire relief~~ fund using all available methods under this chapter.

(c) Depletion event. If the administrator is unable, despite taking the steps under subsection (b), to secure sufficient additional funding for the ~~wildlifewildfire~~ relief fund, including credible pledges for future funding, to reverse the administrator's assessment under subsection (~~ab~~) within ~~forty-five~~forty-five days, the administrator shall declare the existence of a depletion event. The administrator may, for good cause, extend this time period by an additional 30 days.

(d) Depletion percentage. If the administrator declares the existence of a depletion event, the administrator shall determine what percentage of total eligible payments the ~~wildlifewildfire~~ relief fund can make without the likelihood that the payments will exceed seventy-five per cent of the total available money in the ~~wildlifewildfire~~ relief fund. This percentage shall be deemed the depletion percentage.

(e) Depletion payment. The administrator shall thereafter offer all property owners, property insurers, the State, and other governmental entities that submit claims for compensation from the wildfire relief fund and would otherwise, under sections -13, -14, and -15, respectively, be entitled to a particular payment amount, that amount multiplied by the

depletion percentage. This amount shall be deemed the depletion payment.

(f) All claimants that are offered the depletion payment may choose to accept or decline the payment. Any property owner or property insurer, other than a contributor, that declines to accept the depletion payment shall:

(1) Be ineligible for any payments by the wildfire relief fund with respect to the catastrophic wildfire for which the claim was made; and

(2) Not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire; and

(3) The limitation period provided for any cause of action arising out of the catastrophic wildfire that could be asserted by the property owner or property insurer that declines to accept the depletion payment shall be tolled for the period from the date of the catastrophic wildfire to the date the Administrator offers claimants the depletion payment.

(g) After the payments to all claimants who accepted the depletion payment have been made, the administrator may recommend to the board, and the board may decide, in its discretion, to make a further payment to all claimants who accepted the depletion payment. The board shall adopt rules pursuant to chapter 91 for the making of this decision.

(h) Multiple catastrophic events. The board shall adopt rules pursuant to chapter 91 regarding how to pay claims in the event that one or more catastrophic wildfires occur while the corporation is in the process of assessing, receiving, determining, or paying claims from an earlier catastrophic wildfire.

§ -17 Hearings and appeals of determinations. (a) Within thirty days after the

administrator's determination of the amount of payment due to any claimant from the wildfire relief fund pursuant to sections -13, -14, and -15, respectively, or the board's determination of a contributor's allocation for any contribution, the affected person or entity may request a ~~contested case~~review and hearing on that determination before the department of commerce and consumer affairs pursuant to chapter 91.

(b) Upon receipt of a request for a hearing on the administrator or board's determination, the office of administrative hearings shall schedule a hearing date no later than 30 days after its receipt of the request for a hearing.

(c) Following the conclusion of any hearing or before the conclusion of the hearing, with the concurrence of the parties, the office of administrative hearings shall promptly, and no later than 30 days after the hearing, decide the matter and issue findings of fact, conclusions of law, and a decision in accordance with the hearings officer's determination.

(d) Within 30 days after the date on which a copy of the office of administrative hearings' order is mailed to the parties, a party may seek judicial review of the order by filing a petition for review in the applicable circuit court, with a right of appeal as allowed by law. If no such petition is timely filed, the order of the office of administrative hearings shall be final.

§ -18 Limitations on claims. (a) No suit, claim, or other civil legal action may be instituted or maintained against contributors or their affiliates, employees, agents, or insurers:

(1) For recovery of losses or damages of a type for which compensation may be sought from the wildfire relief fund; and

(2) By persons or entities who:

(A) Are contributors, property owners who do not opt out of the wildfire relief fund, or property insurers who elect to participate in the wildfire relief fund; or

(B) Seek indemnity or contribution for amounts paid, or that may be paid, to contributors, property owners who do not opt out of the wildfire relief fund, or property insurers who elect to participate in the wildfire relief fund.

C) Provided, however, that the rights of a property insurer to sue as subrogee of its policy holder shall not be affected by a property owner's participation in the wildfire relief fund and eligibility to seek uninsured property damages from the wildfire relief fund, but instead such subrogation rights will be affected only if the insurer elects to participate in the wildfire relief fund.

(b) Persons or entities who are eligible to seek compensation from the wildfire relief fund for property damage arising from a catastrophic wildfire may not seek to recover for the damage from electric utilities, public utilities other than electric utilities, the State, or private landowners who are contributors, notwithstanding that the claimed property damage

may exceed the amount of payment by the wildfire relief fund for the damage.

(c) The wildfire relief fund shall be subrogated to the rights of the contributors, property owners who do not opt out of the wildfire relief fund, and property insurers who elect to participate in the wildfire relief fund, to the extent of any payment made by the wildfire relief fund to such person or entity, such that the wildfire relief fund may pursue claims against a person or an entity that is not a contributor for damages resulting from the catastrophic wildfire."

SECTION 3. Section 76-16, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The civil service to which this chapter applies shall comprise all positions in the State now existing or hereafter established and embrace all personal services performed for the State, except the following:

(1) Commissioned and enlisted personnel of the Hawaii National Guard as such, and positions in the Hawaii National Guard that are required by state or federal laws or regulations or orders of the National Guard to be filled from those commissioned or enlisted personnel;

(2) Positions filled by persons employed by contract where the director of human resources development has certified that the service is special or unique or is essential to the public interest and that, because of circumstances surrounding its fulfillment, personnel to perform the service cannot be obtained through normal civil service recruitment procedures. Any such contract may be for any period not exceeding one year;

(3) Positions that must be filled without delay to comply with a court order or decree if the director determines that recruitment through normal recruitment civil service procedures would result in delay or noncompliance, such as the Felix-Cayetano consent decree;

- (4) Positions filled by the legislature or by either house or any committee thereof;
- (5) Employees in the office of the governor and office of the lieutenant governor, and household employees at Washington Place;
- (6) Positions filled by popular vote;
- (7) Department heads, officers, and members of any board, commission, or other state agency whose appointments are made by the governor or are required by law to be confirmed by the senate;
- (8) Judges, referees, receivers, masters, jurors, notaries public, land court examiners, court commissioners, and attorneys appointed by a state court for a special temporary service;
- (9) One bailiff for the chief justice of the supreme court who shall have the powers and duties of a court officer and bailiff under section 606-14; one secretary or clerk for each justice of the supreme court, each judge of the intermediate appellate court, and each judge of the circuit court; one secretary for the judicial council; one deputy administrative director of the courts; three law clerks for the chief justice of the supreme court, two law clerks for each associate justice of the supreme court and each judge of the intermediate appellate court, one law clerk for each judge of the circuit court, two additional law clerks for the civil administrative judge of the circuit court of the first circuit, two additional law clerks for the criminal administrative judge of the circuit court of the first circuit, one additional law clerk for the senior judge of the family court of the first circuit, two additional law clerks for the civil motions judge of the circuit court of the first circuit, two additional law clerks for the criminal motions judge of the circuit court of the first circuit, and two law clerks for the administrative judge of the district court of the first circuit; and one private secretary for the administrative director of the courts, the deputy administrative director of the courts, each department head, each deputy or first assistant, and each additional deputy, or assistant deputy, or assistant defined in paragraph (16);
- (10) First deputy and deputy attorneys general, the administrative services manager of the department of the attorney general, one secretary for the administrative services manager, an administrator and any support staff for the criminal and juvenile justice resources coordination functions, and law clerks;
- (11) (A) Teachers, principals, vice-principals, complex area superintendents, deputy and assistant superintendents, other certificated personnel, and no more than twenty noncertificated

- administrative, professional, and technical personnel not engaged in instructional work;
- (B) Effective July 1, 2003, teaching assistants, educational assistants, bilingual/bicultural school-home assistants, school psychologists, psychological examiners, speech pathologists, athletic health care trainers, alternative school work study assistants, alternative school educational/supportive services specialists, alternative school project coordinators, and communications aides in the department of education;
- (C) The special assistant to the state librarian and one secretary for the special assistant to the state librarian; and
- (D) Members of the faculty of the University of Hawaii, including research workers, extension agents, personnel engaged in instructional work, and administrative, professional, and technical personnel of the university;

(12) Employees engaged in special, research, or demonstration projects approved by the governor;

- (13) (A) Positions filled by inmates, patients of state institutions, and persons with severe physical or mental disabilities participating in the work experience training programs;

- (B) Positions filled with students in accordance with guidelines for established state employment programs; and
- (C) Positions that provide work experience training or temporary public service employment that are filled by persons entering the workforce or persons transitioning into other careers under programs such as the federal Workforce Investment Act of 1998, as amended, or the Senior Community Service Employment Program of the Employment and Training Administration of the United States Department of Labor, or under other similar state programs;

(14) A custodian or guide at Iolani Palace, the Royal Mausoleum, and Hulihee Palace;

(15) Positions filled by persons employed on a fee, contract, or piecework basis, who may lawfully perform their duties concurrently with their private business or profession or other private employment and whose duties require only a portion of their time, if it is impracticable to ascertain or anticipate the portion of time to be devoted to the service of the State;

(16) Positions of first deputies or first assistants of each department head appointed under or in the manner provided in section 6, article V, of the Hawaii State Constitution; three additional deputies or assistants either in charge of the highways, harbors, and airports divisions or other functions within the department of transportation as may be assigned by the director of transportation, with the approval of the governor; one additional deputy in the department of human services either in charge of welfare or other functions within the department as may be assigned by the director of human services; four additional deputies in the department of health, each in charge of one of the following: behavioral health, environmental health, hospitals, and health resources administration, including other functions within the department as may be assigned by the director of health, with the approval of the governor; two additional deputies in charge of the law enforcement programs, administration, or other functions within the department of law enforcement as may be assigned by the director of law enforcement, with the approval of the governor; three additional deputies each in charge of the correctional

institutions, rehabilitation services and programs, and administration or other functions within the department of corrections and rehabilitation as may be assigned by the director [ø] of corrections and rehabilitation, with the approval of the governor; an administrative assistant to the state librarian; and an administrative assistant to the superintendent of education;

(17) Positions specifically exempted from this part by any other law; provided that:

(A) Any exemption created after July 1, 2014, shall expire three years after its enactment unless affirmatively extended by an act of the legislature; and

(B) All of the positions defined by paragraph (9) shall be included in the position classification plan;

(18) Positions in the state foster grandparent program and positions for temporary employment of senior citizens in occupations in which there is a severe personnel shortage or in special projects;

(19) Household employees at the official residence of the president of the University of Hawaii;

(20) Employees in the department of education engaged in the supervision of students during meal periods in the distribution, collection, and counting of meal tickets, and in the cleaning of classrooms after school hours on a less than half-time basis;

(21) Employees hired under the tenant hire program of the Hawaii public housing authority; provided that [nø] no more than twenty-six per cent of the authority's workforce in any housing project maintained or operated by the authority shall be hired under the tenant hire program;

(22) Positions of the federally funded expanded food and nutrition program of the University of Hawaii that require the hiring of nutrition program assistants who live in the areas they serve;

(23) Positions filled by persons with severe disabilities who are certified by the state vocational rehabilitation office that they are able to perform safely the duties of the positions;

(24) The sheriff;

- (25) A gender and other fairness coordinator hired by the judiciary;
- (26) Positions in the Hawaii National Guard youth and adult education programs;
- (27) In the state energy office in the department of business, economic development, and tourism, all energy program managers, energy program specialists, energy program assistants, and energy analysts;
- (28) Administrative appeals hearing officers in the department of human services;
- (29) In the Med-QUEST division of the department of human services, the division administrator, finance officer, health care services branch administrator, medical director, and clinical standards administrator;
- (30) In the director's office of the department of human services, the enterprise officer, information security and privacy compliance officer, security and privacy compliance engineer, security and privacy compliance analyst, information technology implementation manager, assistant information technology implementation manager, resource manager, community/project development director, policy director, special assistant to the director, and limited English proficiency project manager/coordinator;
- (31) The Alzheimer's disease and related dementia services coordinator in the executive office on aging;
- (32) In the Hawaii emergency management agency, the executive officer, public information officer, civil defense administrative officer, branch chiefs, and emergency operations center state warning point personnel; provided that for state warning point personnel, the director shall determine that recruitment through normal civil service recruitment procedures would result in delay or noncompliance;
- (33) The executive director and seven full-time administrative positions of the school facilities authority;
- (34) Positions in the Mauna Kea stewardship and oversight authority;
- (35) In the office of homeland security of the department of law enforcement, the statewide interoperable communications coordinator; ~~and~~
- (36) In the social services division of the department of human services, the business technology analyst[-]; and
- (37) The wildfire relief fund administrator.

The director shall determine the applicability of this section to specific positions.

Nothing in this section shall be deemed to affect the civil service status of any incumbent as it existed on July 1, 1955."

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2024-2025 for deposit into the wildfire relief fund.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 4: On the Operation Date, there is appropriated out of the general revenues of the State of Hawaii the sum of \$32.4 million as a reserve against the contingent guarantee set forth in -8(1).

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2024-2025 for the establishment of one full-time equivalent (1.0 FTE) administrator position, who shall be exempt from chapter 76, Hawaii Revised Statutes, to support the Hawaii wildfire relief fund corporation; provided that in all subsequent fiscal years, all funding for the administrator position shall be paid from the wildfire relief fund.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 6. In accordance with section 9 of article VII of the Hawaii State Constitution and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriations contained in H.B. No. _____, will cause the state

general fund expenditure ceiling for fiscal year 2024-2025 to be exceeded by \$ or per cent. In addition, the appropriation contained in this Act will cause the general fund expenditure ceiling for fiscal year 2024-2025 to be further exceeded by \$ or per cent. The combined total amount of general fund appropriations contained in only these two Acts will cause the state general fund expenditure ceiling for fiscal year 2024-2025 to be exceeded by \$ or per cent. The reasons for exceeding the general fund expenditure ceiling are that:

- (1) The appropriation made in this Act is necessary to serve the public interest; and
- (2) The appropriation made in this Act meets the needs addressed by this Act.

SECTION 7. This Act shall take effect on July 1, 3000.

Report Title:

Hawaii Wildfire Relief Fund and Corporation; Public Utilities Commission; Catastrophic Wildfire; Appropriation; Expenditure Ceiling

Description:

Establishes the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Appropriates funds. Effective 7/1/3000. (HD3)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

Written Statement of
Jeannine Souki, Senior Manager – Government & Regulatory Affairs

**BEFORE THE SENATE COMMITTEE ON COMMERCE &
CONSUMER PROTECTION**

H.B. 2700, H.D.3 – RELATING TO WILDFIRES

March 19, 2024, at 9:42 a.m.
Hawai‘i State Capitol Rom 229 & Videoconference

To: Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice Chair
Members of the Committee on Commerce & Consumer Protection

Re: Testimony providing comment for HB 2700, HD3 with a requested amendment

Aloha Honorable Chair, Vice-Chair, and Committee Members:

Thank you for the opportunity to provide testimony regarding HB 2700, HD3, which seeks to create the Hawaii Wildfire Relief Fund and Corporation. As Senior Manager of Government and Regulatory Affairs at Hawaiian Telcom, I understand and appreciate the importance of supporting communities affected by wildfires during this challenging time as residents and businesses continue to recover from the devastating wildfires in Maui.

Hawaiian Telcom's employees and business were also directly impacted by the wildfires, which is why we are committed to working collaboratively with federal, state, county, and community leaders to support the affected communities. While we hope that we never experience another wildfire, we understand the importance of being prepared in case of such an event.

We support the intent of HB 2700, HD3, to establish a fund to help victims of wildfires recover from property damage. However, **we suggest an amendment to remove telecommunication service providers from the bill. We request that the language be consistent with the California Wildfire Fund and the Utah Fire Fund¹ as it pertains to electric utilities.**

This proposed amendment will ensure that the bill aligns with other wildfire relief funds and will better serve affected communities. We respectfully urge you to consider this amendment and adopt the proposed changes.

¹ S.B. 225 Utah State Legislature, signed into law March 13, 2024, <https://legiscan.com/UT/bill/SB0224/2024> (accessed online March 18, 2024.)

Thank you for your consideration.

1 transmission, delivery, or furnishing of gas and for
2 ~~the conveyance of telecommunications messages;~~
3 (4) Other governmental entities; and
4 (5) Private landowners who own, or whose affiliated
5 persons or entities own in the aggregate, at
6 least acres of land in Hawaii.
7 (b) To participate in the wildfire relief fund, an entity
8 shall:
9 (1) Notify the administrator that it intends to
10 participate in the wildfire relief fund
11 by in the year preceding the year in which
12 the entity seeks to participate in the wildfire relief
13 fund; and
14 (2) Have made required contributions to the wildfire
15 relief fund pursuant to section -8.
16 (c) A contributor that is also a property owner in Hawaii
17 may make a claim to the wildfire relief fund for compensation in
18 the same manner provided for in section -13 as other property
19 owners; provided that the contributor:
20 (1) Shall retain all of the rights, privileges, and
21 obligations of a contributor; and





INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION

HEARING DATE: Tuesday, March 19, 2024
TIME: 9:42 a.m.
PLACE: State Capitol
Conference Room 229

RE: Testimony in **Support** of House Bill 2700 HD3

Aloha Honorable Chair Keohokalole, Vice Chair Fukunaga, and Members of the Joint-Committee;

The International Brotherhood of Electrical Workers Local 1260 (IBEW 1260) would like to respectfully offer the following testimony **in Support** of House Bill 2700 HD3.

IBEW 1260 is comprised of approximately 3,000 members representing Hawaii's electric utility companies as well as Government Service Contracts throughout Hawaii, Guam, and Wake Island. Our members are a diverse local workforce of dedicated, highly skilled, and trained individuals working 24 hours a day, 7 days a week, to generate, transmit, and distribute electricity throughout Hawai'i and to ensure the reliability of this precious resource.

IBEW 1260 supports House Bill 2700 HD3 which establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

House Bill 2700 HD3 establishes a process that provides participants in the fund as well as property owners, mitigative relief from prolonged litigation in the case of future catastrophic events. Such options are critical to providing expedited economic relief to those in need, and the financial certainty electric utilities would require to maintain operational and financial viability.

The electric utility and infrastructure that stretch across Hawai'i is vital to our community, to our members and their families. As a local company with roots dating back over 132 years, HECO has been a generous corporate and philanthropic partner and contributor to our community, while providing thousands of sustainable careers to many of Hawai'i's local residents allowing them and their families to remain in Hawai'i.

We understand this issue is very complex, and we support ongoing discussions on this measure as well as its companion senate bill (SB3344 SD2), between the legislature, Hawaiian Electric, and other stakeholders, to ensure that all who are affected by future catastrophic events have the tools needed to recover.

Mahalo for the opportunity to testify on this important matter.



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 19, 2024

TO: Senator Jarrett Keohokalole
Chair, Committee on Commerce and Consumer Protection

FROM: Matt Tsujimura

RE: **H.B. 2700 H.D. 3 – Relating to Wildfires**
Hearing Date: Tuesday, March 19, 2024 at 9:42AM
Conference Room: 229

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee on Commerce and Consumer Protection:

I am Matt Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm). State Farm offers this testimony **in opposition** to H.B. 2700 H.D. 3, Relating to Wildfires.

H.B. 2700 H.D. 3 establishes the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

H.B. 2700 H.D. 3 does not protect consumers. Participating in the Wildfire Relief Fund would result in the property owner never being made whole. Instead, the proposal asks property owners and insurers to waive rights before a loss has occurred and the extent of the damage and liability is known. It requires property owners to participate in the fund unless they “opt out.” If the property owner does not affirmatively “opt out,” the only source of recovery against a negligent party is a pre-determined amount (uninsured property owner) or a percentage (insured property owner) of their overall loss. A property owner who failed to “opt out” may unknowingly waive their individual right to seek damages from a negligent party and which may also impact an insurer’s subrogation rights.¹

Insurers are required to “opt-in” to participate in the proposed Wildfire Relief Fund and, if they do so, the recovery is limited to a percentage predetermined by the fund. The proposal essentially asks an insurer to assess liability and likelihood of potential recovery before the event has occurred, a time when the facts, circumstances, and identity of the responsible parties is unknown.

H.B. 2700 H.D. 3 does not appear to *require* any type of wildfire mitigation plan by contributing entities to prevent catastrophic wildfire events. Rather, the proposal gives the public utilities commission, the fund administrator, or other state agency the ability

¹ Subrogation supports a critical public policy purpose of ensuring the party who caused the loss bears the financial burden for the damage caused.

to determine if the conduct was “prudent.”² While unlikely, this could enable contributing entities to pay into the fund to significantly limit their liability while limiting other types of preventative wildfire measures they could take due to the protection offered by being a fund contributor.

Ultimately, State Farm is concerned this proposal is detrimental to consumers and does little to help mitigate wildfire losses, while allowing the responsible parties to limit liability for their wrongful conduct.

For these reasons we offer this testimony in opposition. Thank you for the opportunity to testify.

² Investor-owned utilities who have a wildfire mitigation plan approved by the public utilities commission are deemed to have been “prudent” unless a party to the proceeding creates doubt as to the conduct.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Hawai'i Wildfire Relief Fund and Corporation; Public Utilities Commission; Catastrophic Wildfire

BILL NUMBER: HB 2700 HD 3

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Establishes the Hawai'i wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

SYNOPSIS: Amends the HRS by adding a new chapter. The new chapter would establish the Wildfire Relief Fund and an associated quasi-government Wildfire Relief Fund Corporation. The entity is charged with administering a voluntary program for wildfire victims to apply for a payment from the fund in exchange for releasing from liability the entities that had contributed to the fund.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: Our comments are contained in our publication of November 30, 2023, entitled "The Lahaina Recovery Fund," reprinted below.

The Lahaina Recovery Fund

One of the more innovative items announced by the Governor's office when it comes to disaster relief measures is the creation of a Lahaina Recovery Fund.

In a press release announcing the measure, the Governor's Office said that the concept was similar to the 9/11 Fund created in the aftermath of the destruction of the World Trade Center. The idea is that the government, Hawaiian Electric, Kamehameha Schools, and others who might be facing lawsuits would pay into the fund. Claimants who want a distribution from the fund agree not to sue the fund contributors.

It was a controversial enough plan that the Star-Advertiser conducted an informal "Big Q" online poll to see if its readers thought the fund was a good idea. (As of this writing, supporters were a little more than twice the number of detractors.)

Typical of the opposition was this post on X: "So in other words, what our state government deems is the value of your loss is all you will receive because you sign your rights away to sue for more?!? DON'T DO IT #LAHAINA!"

In a previous column, we urged the government to create this type of fund. The primary advantages are (1) claimants get money in months, not years; (2) claimants typically won't have to contend with attorneys' fees, which could otherwise be a huge amount like a third of the

recovery; and (3) people can get on with their lives instead of worrying about discovery, depositions, trial, and possible appeals.

The fund being proposed has a voluntary participation element, like many class actions. If someone thinks that they can get a better result by suing, they are certainly free to do so. And even for folks who sue, it's tough to get past the idea that the payment will "be a payment of the State's choosing." After all, if there is a settlement of any kind (90% of litigated court cases are settled), the government will have to sign off on the payment because it would be a defendant in the litigation.

Those who want to be purists about it would need to settle in for the long haul. Take-no-prisoners litigation would need at least a couple of years to get to trial. Many more years could be added to that if appeals follow. Those purists will be waiting a long time for their money.

So, how much is each participant going to get if they opt into the fund? The exact amount isn't known at this point. This is because negotiations are still ongoing with the potential defendants who would be putting money into the fund, and folks don't yet have a clear idea of how many people would be participating. This is not unusual even for mass tort litigation and other class actions. The Governor says that the amount per participant will be north of \$1 million. Obviously, this is not a case where the government is trying to get people to sign off for a pittance like 20 bucks in some preloaded gift card. This is serious money and should be considered by the claimants seriously.

People who are thinking about being a possible claimant of the fund need to thoughtfully consider the dollar amount, whether the claimant could do better if he or she filed a lawsuit, and the cost of that lawsuit. Attorneys don't come cheap, and a "contingency fee" where the attorney is paid only if there is a recovery may cost a third (or more) of the total recovery. Add to that the uncertainty of when, or if, litigation recovery will be paid. The recovery fund, in contrast, will be ready to pay out in months, not years.

Maui claimants can be the adults in the room. They can and should make their own choices about their own future. There is no one-size-fits-all approach to a Lahaina claim. We congratulate the Governor's office for putting this option on the table.

Digested: 3/15/2024



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e-mail info@hfbf.org; www.hfbf.org

March 19, 2024

HEARING BEFORE THE
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

TESTIMONY ON HB 2700, HD3
RELATING TO WILDFIRES

Conference Room 229 & Videoconference
9:42 AM

Aloha Chair Keohokalole, Vice-Chair Fukunaga, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HB 2700, HD3, which establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

This bill would create a future wildfire relief fund for potential victims and provide Hawai'i families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. While we hope what happened in West Maui never occurs again, this bill is being proposed to ensure resources would be available if it does. In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund by reining in the financial uncertainty created by the risk of future catastrophic wildfires.

Please pass HB 2700 HD3. Thank you for this opportunity to provide comments on this measure.

Clearway Energy Group
100 California St, Suite 650
San Francisco, CA 94111



March 17, 2024

Via Electronic Submittal

Committee on Commerce and Consumer Protection
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

Tuesday, March 19, 2024, 9:42 a.m.
Conference Room 229 & Videoconference

RE: HB 2700 HD3 – Relating to Wildfires – Support the Intent

Aloha Chair Keohokalole, Vice Chair Fukunaga and members of the Committee:

Clearway Energy Group (“Clearway”) supports the intent of HB 2700 HD3, which creates a fund to address future wildfire costs.

Clearway is one of the largest suppliers of renewable energy to Hawaiian Electric and its customers. Clearway owns and operates four solar energy projects on Oahu, two of which are solar-only projects that came online in 2019 (5 years into 22-year Power Purchase Agreements (PPAs)), and two of which are solar plus battery storage projects, Mililani I Solar and Waiawa Solar, which came online in July 2022 and January 2023, respectively (one year into 20-year PPAs). Clearway has three additional projects under development that were recently awarded in Hawaiian Electric’s Stage 3 Renewable RFP. Our projects provide clean, reliable power to Hawaiian Electric’s customers at a fixed price and at a lower cost than electricity from fossil fuel sources.

In supporting the intent of HB 2700 HD3, Clearway wishes to underscore the importance of a financially stable utility in keeping Hawai’i on track to meet its clean energy and grid reliability goals. Independent power producers such as Clearway enter into PPAs with the utility based on the strength of the utility’s credit and confidence that it will honor its contractual obligations to pay for the power produced. These renewable power plants operate under supply contracts with Hawaiian Electric for decades, and the financial viability of the plants depends on the long-term financial viability of our customer. In the case of Clearway’s operating plants, a stable long-term revenue stream goes to fund the

long-term debt that financed the upfront capital costs on equipment and labor to construct the projects.

In this current environment of uncertainty, it is critically important to Clearway that our existing contracts are protected and that there is no interruption in Hawaiian Electric's purchases of power from our facilities. Additionally, for investors to have confidence investing in new renewable energy projects developed in Hawai'i, the utility will need to be viewed by the investment community as financially stable and capable of providing sufficient credit support. Until that point, it will be difficult for new, large-scale clean energy projects to move forward.

Hawai'i has an urgent need for new electric generation and storage resources to stabilize the grid and keep the State on track toward its clean energy goals. We encourage the Legislature to adopt measures that create a constructive path forward for Hawaiian Electric.

Thank you for the opportunity to testify on this matter.

Nicola Park
Director, Hawaii
Clearway Energy Group

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN OPPOSITION OF
HB 2700 HD3**

Date: March 19, 2024

Time: 9:42 a.m.

My name is Evan Oue and thank you for allowing me to submit testimony on behalf of the Hawaii Association for Justice (HAJ) in **STRONG OPPOSITION** to HB 2700 HD3 - RELATING TO WILDFIRES. The measure seeks to establish a Hawaii Wildfire Fire Relief Fund to provide compensation for property damage resulting from catastrophic wildfires in the State.

Primarily, HAJ is concerned with § -18, pages 43-44, relating to limitations on claims. Specifically, the measure provides that: "**No suit, claim, or other civil legal action may be instituted or maintained against contributors or their affiliates, employees, agents, or insurers:** (1). For recovery of losses or damages of a type for which compensation may be sought from the wildfire relief fund." HB 2700 HD3 seeks to immunizes electric utilities, public utilities other than electric utilities, the State, or private landowners from property damage claims arising from a catastrophic wildfire.

HAJ has always held the position that broad immunity is bad public policy. In this instance, HAJ is concerned that the proposed measure will preclude all property damage claims against fund contributors for any disaster in the future where those very same fund contributors, through their negligence, caused a wildfire disaster and failed to ensure that the wildfire relief fund was adequately funded. As currently drafted the measure would revictimize the people of Maui who were affected by the 2023 wildfires and would undercut the rights of victims of any and all future disasters. This liability limitation would incentivize minimal contribution to the fund in order to receive immunity that will apply even to disasters that are caused by the same

sort of negligence that led to the recent destruction of so many lives and livelihoods on Maui.

HAJ understands the business implications that this measure may have for fund contributors, however, we fail to see why those who have caused so much damage and destruction should be rewarded for their callousness with a grant of broad immunity for the damage they caused, at the expense of their victims.

Furthermore, HAJ is not aware of **any** other state that has provided such broad immunity of this type when establishing a relief fund. Under the current measure, Hawaii would be the first state in the nation to reward potentially responsible parties by absolving them of their responsibilities to those they harm. Providing immunity under this measure will remove any accountability for utility companies, the State, and private landowners whose actions or omissions result in damage to people across the state. The current immunity language sets a dangerous precedent of rewarding companies, our government, and private landowners for their negligence which contribute to catastrophic wildfires or disasters in the future.

Ultimately, the people of Hawaii will be impaired in seeking recourse for damage to their property at the same time that it removes a contributor's responsibility to safely design and maintain their operations.

As an alternative, we would recommend an amendment to the fund depletion language in Section 16 in order to incentivize the appropriate funding of the wildfire relief fund, especially where *any* grant of immunity is being contemplated:

"§ -16 Fund depletion. (a) Within thirty days of a catastrophic wildfire, the administrator shall assess whether the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, and the State and other governmental entities under sections -13, -14, and -15,

respectively, are expected to exceed seventy-five per cent of the total available money in the wildfire relief fund. The board shall adopt rules pursuant to chapter 91 regarding the performance of this assessment.

(b) If the administrator assesses pursuant to subsection (a) that the total payments that the wildfire relief fund is projected to make to eligible property owners, property insurers, and the State and other governmental entities under sections -13, -14, and -15, respectively, are expected to exceed seventy-five per cent of the total available money in the wildfire relief fund, the administrator shall seek to increase the total amount of money in the fund using all available methods under this chapter.

(c) Depletion event. If the administrator is unable, despite taking the steps under subsection (b), to secure sufficient additional funding for the wildlife relief fund, including credible pledges for future funding, to reverse the administrator's assessment under subsection (a) within forty-five days, the administrator shall declare the existence of a depletion event.

(d) Depletion percentage. If the administrator declares the existence of a depletion event, the administrator shall determine what percentage of total eligible payments the wildlife relief fund can make without the likelihood that the payments will exceed seventy-five per cent of the total available money in the wildlife relief fund. This percentage shall be deemed the depletion percentage.

(e) Depletion payment. The administrator shall thereafter offer all property owners, property insurers, the State, and other governmental entities that submit claims for compensation from the wildfire relief fund and would otherwise, under sections -13, -14, and -15, respectively, be entitled to a particular payment amount, that amount multiplied by the depletion percentage. This amount shall be deemed the depletion payment.

(f) All claimants that are offered the depletion payment may choose to accept or decline the payment. Any property owner or property insurer, other than a contributor, that declines to accept the depletion payment shall:

(1) Be ineligible for any payments by the wildfire relief fund with respect to the catastrophic wildfire for which the claim was made; and

(2) Not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire.

Any property owner or property insurer, other than a contributor, that accepts the depletion payment shall:

(1) Not be bound by the limitation on claims under section -18 with respect to only that catastrophic wildfire; and

(2) Any Contributor against whom a claim is brought by a recipient of a depletion payment shall be entitled to a credit against their financial liability as to that claimant, in an amount equal to the depletion payment received by the claimant multiplied by the Contributor's proportion of contribution to the Wildfire relief fund relative to the other Contributors.

(g) After the payments to all claimants who accepted the depletion payment have been made, and within three (3) years from the date of the fire, the administrator ~~may recommend to the board, and the board may decide, in its discretion, to make further payment to all claimants who accepted the depletion payment.~~ shall make additional payments to each claimant who accepted the depletion payment, which payments, added to the depletion payment, shall be equal to the full value of the administrator's determination of the amount of payment due to each claimant. ~~The board shall adopt rules pursuant to chapter 91 for the making of this decision.~~

(h) Multiple catastrophic events. The board shall adopt rules pursuant to chapter

91 regarding how to pay claims in the event that one or more catastrophic wildfires occur while the corporation is in the process of assessing, receiving, determining, or paying claims from an earlier catastrophic wildfire."

We look forward to working with all involved stakeholders on this measure. Thank you very much for allowing me to testify in **OPPOSITION** of the current draft of HB 2700 HD3. Please feel free to contact me should you have any questions or desire additional information.



Email: communications@ulupono.com

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION
Tuesday, March 19, 2024 — 9:42 a.m.

Ulupono Initiative supports the intent and offers amendments on HB 2700 HD3, Relating to Wildfires.

Dear Chair Keohokalole and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

Ulupono supports the intent and offers amendments on HB 2700 HD3, which establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

Hawai'i's unique communities and ecosystems are increasingly threatened by the devastating impacts of wildfires. In recent years, we have witnessed a rise in the frequency and intensity of wildfires, exacerbated by climate change, land and water management practices, and urban encroachment into fire-prone areas. The culmination of these forces resulted in the devastating and heartbreaking destruction seen on Maui last year.

It is undisputed that it is important to prepare for increased risks from wildfires, and to ensure that loss and damage caused by wildfires are addressed. The establishment of the Hawai'i Wildfire Relief Fund and Corporation could be an important opportunity to address the financial aftermath of such disasters. This initiative can help serve as a safety net for those affected, ensuring that residents have the support they need to rebuild their lives and homes without the overwhelming burden of financial insecurity.

While many may view such a bill as a benefit to existing electric utilities, it is important to note that any business will struggle with unlimited liability, making access to capital difficult or more expensive and constraining a business' ability to make much needed investments in the interim.¹ Furthermore, there is a very real risk that utilities may be unable to adequately insure against

¹ As stated by the Hawaiian Electric Companies in its January 31, 2024, filing with the Public Utilities Commission, "Maui Electric is aware of 100 complaints related to the August 2023 Maui wildfires that assert claims against Maui Electric. One complaint is pending in the First Circuit Court in O'ahu, 19 complaints are pending in the Second Circuit Court in Maui County, and 80 complaints are pending in the U.S. District Court. for the District of Hawai'i." See Non-Docketed Case No. 2023-04643 Maui Electric Monthly Wildfire-Related Litigation Report January 2024.

<https://shareus11.springcm.com/Public/DownloadNative/25256/e52ef351-84c0-ee11-b83e-48df377ef808/0b5fa85f-a9c0-ee11-b83e-48df377ef808>

Investing in a Sustainable Hawai'i

future climate related disasters, such as wildfires, and will increasingly rely on new approaches to risk mitigation.² Ulupono recognizes the multifaceted challenges facing the electric utilities, including the need to address ongoing potential wildfire liability while aggressively pursuing the state's policy goals of increasing clean energy, improving grid reliability and resiliency, and reducing costs for customers. As such, a measure such as this bill can help establish an approach going forward that would place boundaries around potential liability, while ensuring a pool of resources to help aid in future recovery needs. This is not a perfect solution—there are tradeoffs to be sure—but, on the whole, Ulupono considers this a net positive for the state. There are a few elements worth noting from the bill as currently drafted:

The measure only covers property damage, not loss of lives: The bill does not attempt to place any limitations on the liability of loss of life, only focusing on loss of property. Ulupono recognizes that such limitations are reasonable, by not constraining liability for the most sensitive and difficult type of loss.

A wildfire relief fund would reduce barriers to entry for potential third-party buyers of the electric utility: A financial support structure will reduce risk for potential investors in an investor-owned utility, thereby making it a more favorable opportunity.

Ulupono offers the following comments/suggestions to improve the bill's effectiveness:

Determination of Total Risk and Contributions: As currently drafted, the bill proposes to determine the total potential wildfire risk and determine the apportionment of contributions from fund members using an actuarial methodology. Such an approach should be better defined, as it is unclear how the apportionment between entities would be established without significant challenges from participants and stakeholders—which could lead to the delay in development of the fund and potentially slow down or inhibit the effectiveness of the fund.

Liability for Employee Error: As currently drafted, the bill protects funders from liability due to employee error, which should be modified to include what is legally applicable under normal employer/employee liability scenarios.

20% Cap on Transmission and Distribution Equity Rate Base: As currently drafted, the Public Utilities Commission, upon a finding of imprudence, is prohibited from ordering the investor-owned utility to reimburse the wildfire relief fund in an amount that exceeds the lesser of:

- (1) The costs that the Public Utilities Commission determines were due to the investor-owned utility's imprudence; or
- (2) Twenty per cent of the investor-owned utility's transmission and distribution equity rate base minus the amounts the utility has reimbursed, or is required to reimburse, the wildfire relief fund during the period of three consecutive calendar years ending on December 31 of the year in which the calculation is being performed.

It is unclear whether the 20% cap on investor-owned utility's transmission and distribution equity rate base is a reasonable amount to place such a limitation. The concern would be that such a

² **As wildfires losses mount, will commercial insurers decline to cover utilities?** *Utility Dive*, January 31, 2024. <https://www.utilitydive.com/news/wildfire-utility-grid-insurance-climate-pge-xcel-hawaiian-electric/703178/>



limitation would in fact be the lesser of the two potential amounts to such an extreme degree that the liability would far outstrip the cap. Further evaluation and analysis should be conducted in concert with the investor-owned utility to determine if this amount is prudent.

10% Cap on Hawai'i-Based Assets for Other Fund Contributors: On a similar note, other fund participants, such as a cooperative utility, another governmental entity, or a private landowner that is a contributor that may have caused the occurrence or contributed to the severity of a catastrophic wildfire, are subject to a cap of 10% of the contributor's assets within Hawai'i, measured over a rolling three-year period. While such a construct may work for some entities, other entities may be significantly shielded from liability due to their limited asset holdings in Hawai'i. As such, Uluono recommends a deeper evaluation of the proposed caps to ensure adequate coverage if a finding of imprudence is in fact determined.

The establishment of the Hawai'i Wildfire Relief Fund has the potential to help provide much-needed support and relief to those affected by wildfires in our state. By offering a reliable source of compensation, the fund will enhance the resilience of our communities, enabling quicker recovery and rebuilding efforts, and minimizing the long-term socio-economic impacts of wildfires.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

March 17, 2024

RE: HB 2700 HD3 Relating to Wildfires

Dear Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee on Commerce and Consumer Protection,

Founded in 1968, the Kona-Kohala Chamber of Commerce works to enhance the quality of life for our community through a strong, sustainable economy on Hawai'i Island. With 470 member businesses and organizations, our mission is to provide leadership and advocacy for a successful business environment in West Hawai'i.

The Kona-Kohala Chamber of Commerce **supports** HB 2700 HD3: Relating to Wildfires.

The catastrophic event in West Maui reminds us how vulnerable we are to the dangers of wildfires. This bill proposes a future solution: creating a wildfire relief fund to help potential victims recover from any catastrophic wildfire, no matter the cause.

In addition, this bill would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund. It aims to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

We ask you to pass HB 2700 HD3: Relating to Wildfires.

Sincerely,



Wendy J. Laros, President and CEO
Kona-Kohala Chamber of Commerce

House Bill 2700 HD3 – Relating to Wildfires

TESTIMONY

Hawaii State Senate

Senate Committee on Commerce and Consumer Protection

Tuesday, March 19, 2024

9:42 a.m.

Aloha Chair Keohokalole, Vice Chair Fukunaga and Members of the Senate Committee on Commerce and Consumer Protection:

Mahalo for the opportunity to provide testimony in support of HB 2700, HD3. AES shares Hawai'i's vision for a 100% renewable energy future. We are working to accelerate and support Hawai'i's transition toward a carbon-free energy future with renewable projects across the Hawaiian Islands totaling over 300 MW of solar, solar plus storage, hydro and wind resources in operation or under contract, with 102.5 MW of Stage 1 projects, 37 MW of Stage 2 projects, and 146 MW newly awarded in Stage 3.

The purpose of HB 2700 HD3 is to establish the Hawaii Wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State and to appropriate funds. Following the Maui Wildfires that resulted in tragic losses of life, personal injuries and property damage, AES Hawaii fully appreciates and supports the **intent** of this measure, as stated, as well as the proposal's intent to address the future stability of the investor and electric utility. Indeed, Hawai'i' needs a stable utility in order to meet the ambitious renewable energy goals embedded in our state energy policy.

However, we also understand that numerous stakeholders are seeking clarification on various aspects of this legislation and look forward to following the progress or these discussions through the legislative session.

Mahalo for your consideration.



Sandra Larsen

President

AES Hawai'i



**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB 2700, HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Eric Wright on behalf of Par Hawaii

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

On behalf of Par Hawaii, I am testifying in support of HB 2700, HD3, Relating to Wildfires. As a key participant in infrastructure and energy supply in Hawaii, we believe that HB 2700, HD 3 is critical to long-term energy security for our island home.

HB 2700, HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB 2700, HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if it does, especially for our local families. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

We support HB 2700, HD3 and request its passage. Thank you for the opportunity to share support.



Testimony Before the Senate Committee on Commerce and Consumer Protection

By David Bissell
President and Chief Executive Officer
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Tuesday, March 19, 2024; 9:42 am
Conference Room #229 & Videoconference

House Bill No. 2700 HD3 - RELATING WILDFIRES

To the Honorable Chair David A. Tarnas, Vice Chair Gregg Takayama and Members of the Committee:

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC offers comments on this measure.

KIUC shares the legislature's concern regarding the risks posed by catastrophic wildfires and the potential impact to the health, safety and financial security of residents and businesses throughout the state. KIUC agrees that it is in the best interest of the state to minimize the impact of potential litigation following catastrophic events, and ensure residents have access to compensation for property damage resulting from wildfires.

The establishment of a Wildfire Relief Fund could have significant financial impacts, both positive and negative, on residents, businesses, utilities, government agencies and other stakeholders. KIUC believes the needs and circumstances of each of these stakeholders is diverse and should be considered prior to acting on this legislation. Without access to background on studies or other information used to develop this complex proposal, we have concerns about the bill's potential negative impact to KIUC. In order to support the establishment of a Wildfire Relief Fund, KIUC would need much more information on costs and potential benefits of participating, both initially and ongoing.

The preamble to HB 2700 states that the measure is designed in part to "...ensure that the threat of wildfires does not make investment in Hawaii's public utilities so financially risky that it becomes too costly or impossible for them to raise capital to implement vital plans, including plans to mitigate wildfire risk, and to provide safe, reliable, and affordable service to the people of the State."

While this is undoubtedly a consideration for an investor-owned utility such as Hawaiian Electric (HECO), a cooperative such as KIUC does not bear anywhere near the same amount of investment risk. Because KIUC has no shareholders and is therefore considered to be part of the public power universe of electric utilities, KIUC would have access to funding assistance from the Federal Emergency Management Agency (FEMA) in the event

of a wildfire, and it is likely that FEMA would cover 75% of KIUC's rebuild costs following a major catastrophic event. Additionally, as a cooperative, KIUC has access to low-cost capital through the U.S.D.A. Rural Utilities Service (RUS), which would likely be a lower interest rate source of debt capital than even AAA-rated securitized bonds. If RUS debt is unavailable, KIUC would seek capital from one of our cooperative lenders, such as the National Rural Utilities Cooperative Finance Corporation or CoBank.

KIUC has concerns that, as a utility representing just 5% of the state's population, the costs associated with establishing and maintaining the fund could have a disproportionate financial impact on our members without a commensurate return. **KIUC appreciates amendments to this bill that require different contribution amounts by investor-owned and non-investor-owned utilities, however, we further request that participation from cooperative utilities be made optional so that costs and benefits of participation can be considered.**

In summary, we ask that you fully evaluate the costs and potential benefits of this bill prior to making a decision.

Thank you for your consideration.

March 19, 2024

Committee on Commerce and Consumer Protection
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair



Working together for Kapolei

LATE

Tuesday, March 19, 2024
9:42 a.m. Conference Room #229
and via Videoconference

RE: HB 2700 – Relating to Wildfires

Dear Chair Keohokalole and Vice Chair Fukunaga and members of the Committees,

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, Ewa Beach, Nanakuli, Waianae and Makaha. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. We are a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber of Commerce **supports the intent of HB 2700** which establishes the Hawaii wildfire relief fund and corporation to provide compensation for property damage resulting from catastrophic wildfires in the State. Appropriates funds.

The devastation of the Maui wildfires has touched all of us and while we hope that nothing like that happens again anywhere in our State, we must be vigilant and be prepared in the case that it does. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. The impact on the infrastructure is a reality that is very real. Having a funding mechanism that will help protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund is a solution we must seek now.

There are portions of West O’ahu that are specifically vulnerable to devastating wildfire in a very similar manor that West Maui was.

Thank you for this opportunity to provide testimony.

Respectfully,

Kiran Polk
Executive Director



Chamber of Commerce HAWAII

The Voice of Business

LATE

Testimony to the Senate Committee on Commerce and Consumer Protection
Tuesday, March 19, 2024, at 9:42AM
Conference Room 229 & Video Conference

RE: HB2700 HD3 Relating to Wildfires

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Chamber of Commerce Hawaii Supports (“The Chamber”) stands in **general support** of **HB2700 HD3**, which establishes and appropriates funds the Hawai’i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

This bill would create an efficient process for recovering property damages and would protect the creditworthiness of the state, counties, large landowners, and utilities that contribute to the fund. This bill’s purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

On behalf of The Chamber, thank you for this opportunity to testify.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
Tuesday, March 19, 2024 AT 9:42 A.M.**

To The Honorable Senator Jarrett Keohokalole, Chair
The Honorable Senator Carol Fukunaga, Vice Chair
Members of the committee on Commerce and Consumer Protection

SUPPORT HB2700 HD3 RELATING TO WILDFIRES

The Maui Chamber of Commerce **SUPPORTS HB2700 HD3.**

The Chamber supports the concept of this fund that helps protect impacted residents and businesses of future catastrophic wildfires by getting paid from the fund regardless of the cause of the wildfire. We acknowledge that it will help protect state, counties, large landowners, and utilities that contribute to the fund from financial uncertainty by the risk of future catastrophic wildfires. We note that residents and businesses that will benefit from this fund will also be contributors to this fund through state taxes, other governmental taxes, and as rate payers of utility companies. We appreciate the amendment that prohibits a public utility from recovering its contributions from its customers in rates. We all must come together on solutions when dealing with catastrophic events.

We appreciate the forward thinking of this initiative. We hope that the state would continue to explore federal and other methods of funding for expediting protective measures in order to help lessen the impacts of future disasters.

The Chamber looks forward to continued discussions on this and other related bills to find the best possible solutions.

For these reasons, we **SUPPORT HB2700 HD3.**

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Susan Arinaga Li

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Susan Arinaga Li and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events – HB2700 HD3 is a proactive approach to address a future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. The bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. The bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to submit testimony.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Lorrie Iwanaga

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Lorrie Iwanaga and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Enrique Che

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Enrique Che and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Lynne Unemori and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future proactive solution in the event of another catastrophic wildfire that could be caused by any unknown factor.

This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill would also rein in the financial uncertainty created by the risk of future catastrophic wildfires. Reducing this uncertainty can result in lower financing costs that ultimately benefit the public.

Please pass HB2700 HD3 as a way to provide prompt resources to help our community if a catastrophic wildfire should ever occur again. Thank you for the opportunity to testify.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Earlynne F. Maile

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Earlynne F. Maile and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Sharon Suzuki

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Sharon Suzuki and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Silas Oliveira de Toledo

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Silas Oliveira de Toledo and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Jamie Lee

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Jamie Lee and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Phillip Gerwien

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Phillip Gerwien and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Peter Okunami

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Peter Okunami and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Philip Mow

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Philip Mow and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Carrie Iwamoto

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Carrie Iwamoto and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by **Your name**

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is **your name** and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Gayle Ohashi

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Gayle Ohashi and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

HB-2700-HD-3

Submitted on: 3/16/2024 6:01:12 PM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Reynolds	Individual	Support	Written Testimony Only

Comments:

I'm testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by **Your name**

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is **your name** and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Karen Yim

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Karen Yim and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Michele Higa

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Michele Higa and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Alan Higa

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Alan Higa and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Robert Young

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Robert Young and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Kerry Kanakaole

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Kerry Kanakaole and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Lyanne Hiromoto

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Lyanne Hiromoto, and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

HB-2700-HD-3

Submitted on: 3/17/2024 1:01:21 AM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
Juliane Inouye	Individual	Support	Written Testimony Only

Comments:

Support

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Gary Hanaoka

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Gary Hanaoka and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Keith Kobuke

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Keith Kobuke and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Alden Ishii

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Alden Ishii and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

HB-2700-HD-3

Submitted on: 3/17/2024 7:26:54 AM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacklyn Spencer	Individual	Support	Written Testimony Only

Comments:

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Jacklyn D. Spencer

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Jacklyn D. Spencer and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Lorie Nagata

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Lorie Nagata and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Mark Suehiro

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Mark Suehiro and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Lyle J. Matsunaga

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Lyle Matsunaga and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Michelle Chang

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Michelle Chang and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Ken Aramaki

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Ken Aramaki and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Teri Theuriet

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Teri Theuriet and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Karen Hirota

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Karen Hirota and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Richard T. Eber

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Richard Eber and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Lori Yafuso

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Lori Yafuso and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Patrick Sullivan

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Patrick Sullivan and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Donna Van Osdol

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Donna Van Osdol, and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Everett A. Lacro

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Everett Lacro and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

HB-2700-HD-3

Submitted on: 3/17/2024 1:25:54 PM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
Queenie M. Chee	Individual	Support	Written Testimony Only

Comments:

I support this bill!

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Timothy Lee

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Timothy Lee and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB 2700, HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Karen Kuis-Zelko

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

I am testifying in support of HB 2700, HD3, Relating to Wildfires. HB 2700, HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB 2700, HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if it does, especially for our local families. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

We support HB 2700, HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB 2700, HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Chris P. Schlueter

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

I am testifying in support of HB 2700, HD3, Relating to Wildfires. HB 2700, HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB 2700, HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB 2700, HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Michael T Iwahashi

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Michael T Iwahashi and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Kevin Kuo

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Kevin Kuo and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

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I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE & CONSUMER PROTECTION**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by Patsy Nanbu

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

My name is Patsy Nanbu and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.

HB-2700-HD-3

Submitted on: 3/18/2024 6:55:56 AM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
David Vela	Individual	Support	Written Testimony Only

Comments:

**Testimony before the senate COMMITTEE ON
commerce & consumer protection**

HB2700 HD3

Relating to Wildfires

Tuesday, March 19, 2024

9:42 AM

State Capitol, Conference Room 229

Submitted by David Vela

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee, My name is David Vela and I am testifying in support of HB2700 HD3, Relating to Wildfires. HB2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB2700 HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

This bill is being proposed to provide resources if a catastrophic wildfire ever occurs again. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families

with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB2700 HD3 and request its passage. Thank you for the opportunity to share support.



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
MARCH 19, 2024
HB 2700 HD2 RELATING TO WILDFIRES.**

Good morning, Chair Keohokalole, and members of the Senate Committee on Commerce and Consumer Protection. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We support the intent of HB 2700 HD3. This measure establishes the Hawai'i Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State; appropriates funds; and is effective 7/1/3000.

The recent Maui Wildfires have deeply impacted not only retailers, but the community as a whole. This measure is a crucial step towards addressing the need for the safety, well-being, and resilience of our state in the face of future catastrophic wildfires.

The devastation wrought by the recent wildfires on families, businesses, and our entire community serves as a stark reminder of the urgent need for proactive measures. While we fervently hope that such disasters never recur, it is imperative that we prepare for all eventualities.

It is our understanding that the establishment of a dedicated Wildfire Relief Fund is a critical component in the preparedness efforts. This fund will serve as a lifeline for potential victims, ensuring that resources are readily available for their recovery and rehabilitation in the aftermath of a wildfire. By providing a streamlined process for recovering property damage, irrespective of the cause of the wildfire, the fund will offer much-needed support and assistance to affected Hawaii families.

Moreover, the Wildfire Relief Fund could be a pivotal role in reducing the financial uncertainty and mitigating the economic repercussions of future wildfires by proactively addressing the risk of wildfires and providing a mechanism for recovery,

This measure is a step in the right direction towards fostering resilience, preparedness, and community cohesion in the face of natural disasters.

Mahalo for this opportunity to testify.

LATE

HB-2700-HD-3

Submitted on: 3/18/2024 1:59:27 PM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Kaleikini	Individual	Support	Written Testimony Only

Comments:

Dear Chair Keohokalole, Vice Chair Fukunaga and Members of the Committee,

Mahalo for the opportunity to provide written testimony in SUPPORT of HB2770 HD3.

HB 2700 HD3 is proposing a future solution in the event of another catastrophic wildfire that could be caused by any unknown factor. Given various factors affecting our environment – including extreme weather events, HB 2700, HD3 is a proactive approach to address any future catastrophic wildfire before it occurs.

While we hope nothing like what happened in West Maui ever occurs again, this bill is being proposed to ensure resources would be available if it does, especially for our local families. This bill would create a future wildfire relief fund for potential victims and provide Hawaii families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund. This bill's purpose is to rein in the financial uncertainty created by the risk of future catastrophic wildfires.

I support HB 2700, HD3 and request its passage. Thank you for the opportunity to share support.

LATE

LATE

HB-2700-HD-3

Submitted on: 3/19/2024 8:48:39 AM

Testimony for CPN on 3/19/2024 9:42:00 AM

Submitted By	Organization	Testifier Position	Testify
David Z. Arakawa	Individual	Support	Written Testimony Only

Comments:

The Land Use Research Foundation of Hawaii (LURF) is in **strong support of HB 2700, HD3, Relating to Wildfires**, which establishes the Hawai'i Wildfire Relief Fund and Hawai'i Wildfire Relief Fund Corporation to provide compensation for property damage resulting from catastrophic wildfires in the State.

The purpose of this measure is to rein in the financial uncertainty created by the risk of future catastrophic wildfires by proposing a proactive and reasonable solution in the event of another catastrophic wildfire. It seeks to ensure that resources would be available if there is a future wildfire, by creating a future wildfire relief fund for potential victims and provide Hawai'i families with an efficient process for recovering property damage from a future catastrophic wildfire, no matter the cause. In addition, this bill would protect the creditworthiness of the state, counties, large landowners and utilities that contribute to the fund.

LURF is in strong support of **strong support of HB 2700, HD3**, and requests your favorable consideration and its passage. Thank you for the opportunity to share our strong support for this measure.