

STAND. COM. REP. NO. 90

Honolulu, Hawaii

FEB 04, 2025

RE: H.B. No. 339
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 339 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC UTILITIES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Public Utilities Commission to consider or impose certain conditions of approval on any order approving, in whole or in part, an application for the proposed acquisition, merger, or consolidation of an electric utility by an acquiring entity; and
- (2) Establish a process to ensure that when an application for the proposed acquisition, merger, or consolidation of an electric utility is filed by an investor-owned utility, the Public Utilities Commission suspends its review of the application for one hundred eighty days for the consideration of alternative applications from non-investor-owned utilities.

Your Committee received testimony in support of this measure from Ulupono Initiative; the International Brotherhood of Electrical Workers Local Union 1260; and Climate Protectors Hawai'i. Your Committee received comments on this measure from the

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Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that if the Public Utilities Commission considers the application of an acquisition, merger, or consolidation of an electric utility, the Commission should consider certain conditions of approval for the application and establish a process to ensure that bids for acquisition from non-investor-owned utilities are concurrently considered. This measure establishes certain conditions of approval related to a potential acquiring entity's perceived or actual support for or opposition to the State's renewable portfolio standards, the existing performance-based regulation framework, power purchase agreements, and collective bargaining agreements.

Your Committee has amended this measure by:

- (1) Adding a requirement that the acquiring entity be bound to existing collective bargaining agreements and retain all covered employees;
- (2) Deleting the requirement that the Public Utilities Commission suspend its review for one hundred eighty days and establish a process and instead requiring an electric utility subject to an application for a proposed acquisition, merger, or consolidation by an investor-owned utility to:
 - (A) Demonstrate that it solicited bids from entities operating under a non-investor-owned utility ownership model, specify whether these types of entities submitted bids, and reasons those bids were or were not accepted; and
 - (B) If the electric utility accepted a bid from an entity operating under a non-investor-owned utility ownership model, present the bid to the Public Utilities Commission concurrently with an application by an investor-owned utility;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and



- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 339, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



