

STAND. COM. REP. NO.

780

Honolulu, Hawaii

FEB 14, 2025

RE: H.B. No. 339  
H.D. 2

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

Madame:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 339, H.D. 1, 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 company by an acquiring entity;
- (2) Prohibit acquiring entities from proposing or supporting amendments that may have a material adverse effect on renewable portfolio standards or the existing performance-based regulation framework or terminating any existing and valid power purchase agreement between the electric utility company and an independent power producer, with certain conditions;
- (3) Establish a process to ensure that when an electric utility is subject to an application for a proposed acquisition, merger, or consolidation by a potential acquiring entity that is an investor-owned utility and

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seeks approval of the application from the Public Utilities Commission, the electric utility shall demonstrate that it solicited bids from potential acquiring entities that operate under non-investor-owned utilities ownership models; and

- (4) Require the electric utility to submit acceptable bids concurrently with an application by a potential acquiring entity that is an investor-owned utility.

Your Committee received testimony in support of this measure from the International Brotherhood of Electrical Workers Local 1260 and Ulupono Initiative. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Public Utilities Commission; and Life of the Land.

Your Committee finds that the State has established several goals to transition the State from fossil fuels to renewable energy, including the renewable portfolio standards and performance-based regulation frameworks. However, the potential for mergers or acquisitions involving investor-owned utilities poses a risk of backsliding or undermining these advancements to the detriment of utility customers. This measure allows the Public Utilities Commission to impose conditions on an acquiring entity with respect to the goals.

Your Committee has amended this measure by:

- (1) Removing the conditions that prohibited an acquiring entity, through December 31, 2040, from proposing or supporting any change or amendment that may have a material adverse effect on existing renewable portfolio standards;
- (2) Removing the conditions that prohibited an acquiring entity from proposing or supporting the termination of any existing performance-based regulation framework for the electric utility or making changes or amendments that may have a material adverse effect on such framework;
- (3) Authorizing the issuance of reimbursable general obligation bonds in the sum of \$1,000,000,000 for the

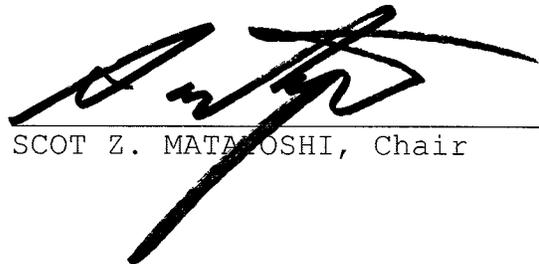


acquisition of Hawaiian Electric Industries to convert it to a publicly owned utility;

- (4) Authorizing the establishment of a non-bypassable electric utility conversion charge, collections of which are to be deposited into the newly established Electric Utility Conversion Special Fund and used to recover the debt service on the reimbursable general obligation bonds;
- (5) Appropriate funds out of Electric Utility Conversion Special Fund to acquire Hawaiian Electric Industries and convert it to a publicly owned utility and to reimburse the state general fund for payment of debt service on the reimbursable general obligation bonds; and
- (6) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 339, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 339, H.D. 2.

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



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SCOT Z. MATAOOSHI, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 339, HD1	Committee Referral: EEP, CPC, FIN	Date: 2/13/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	✓			
2. CHUN, Cory M. (VC)	✓			
3. ILAGAN, Greggor	✓			
4. ICHIYAMA, Linda	✓			
5. IWAMOTO, Kim Coco		✓		
6. KONG, Sam Satoru	✓			
7. LOWEN, Nicole E.	✓			
8. MARTEN, Lisa	✓			
9. TAM, Adrian K.	✓			
10. PIERICK, Elijah				✓
TOTAL (10)	8	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				