

STAND. COM. REP. NO.

886

Honolulu, Hawaii

FEB 27 , 2025

RE: H.B. No. 974

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 Finance, to which was referred H.B. No. 974, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Budget and Finance to enter into step-in agreements for payment obligations arising under certain power purchase agreements;
- (2) Establish the Power Purchase Costs Trust Fund;
- (3) Require revenues collected from on-bill charges associated with covered power purchase agreements and revenues from a surcharge supporting a reserve account to be held in trust by the State, and require independent power producers to hold a beneficial interest in the revenues to the extent of the amounts owed under the covered power purchase agreements; and
- (4) Permit the Department of Budget and Finance to contract with an electric utility to serve as an agent of the Department for the purposes of billing, collection, and



management in the service of performing step-in agreements.

Your Committee received testimony in support of this measure from the Public Utilities Commission; County of Kaua'i; Longroad Energy; Plus Power; Hawai'i Regional Council of Carpenters; Ameresco; Ulupono Initiative; Hawai'i Executive Collaborative; Bowers + Kubota; Chaminade University; Zephyr Insurance; Hua Nani Partners; Blue Planet Foundation; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance; Department of Commerce and Consumer Affairs; Department of the Attorney General; Hawaiian Electric; Clearway Energy Group LLC; AES Hawai'i; and General Contractors Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 974, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



KYLE T. YAMASHITA, Chair



