

STAND. COM. REP. NO.

89

Honolulu, Hawaii

FEB 04, 2025

RE: H.B. No. 978  
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. 978 entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the Public Utilities Commission to appoint a receiver to take temporary action necessary to assure continued service or to bring the service up to appropriate regulatory standards when a regulated investor-owned electric utility is failing, or there is an imminent threat of the utility failing, to provide adequate and reasonable service to its customers.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Climate Protectors Hawai'i. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that when a regulated water or sewer utility is failing, or there is an imminent threat of the utility failing, to provide adequate and reasonable service to its customers, the Public Utilities Commission has the authority to appoint a receiver to take temporary action. Your Committee further finds that the Public Utilities Commission does not have the same authority for regulated investor-owned electric

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utilities. This measure addresses this need by allowing the Public Utilities Commission to appoint a receiver for a regulated investor-owned electric utility under certain circumstances.

Your Committee has amended this measure by:

- (1) Deleting the appropriation;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

If the scope of the Public Utilities Commission's authority to appoint a receiver were to be expanded to include gas utilities in addition to investor-owned electric utilities, your Committee notes the concern raised by Hawai'i Gas during the hearing that the Public Utilities Commission lacks jurisdiction over the gas utility's unregulated business segment. Your Committee finds that this issue merits further examination and consideration.

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. 978, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 978, 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,



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NICOLE E. LOWEN, Chair



