

STAND. COM. REP. NO. 640

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1201  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and  
Energy and Intergovernmental Affairs, to which was referred S.B.  
No. 1201 entitled:

"A BILL FOR AN ACT RELATING TO WILDFIRES,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Wildfire Recovery Fund; and
- (2) Allow for securitization for electric utilities.

Your Committees received testimony in support of this measure  
from the Hawai'i Climate Advisory Team; Hawaiian Electric; Kaua'i  
Island Utility Cooperative; Ulupono Initiative; Clearway Energy  
Group; IBEW 1260; Plus Power; AES Hawai'i; Par Hawaii; Hawai'i Farm  
Bureau; Kapolei Chamber of Commerce; Retail Merchants of Hawaii;  
Hawaii Cattlemen's Council, Inc.; Chamber of Commerce Hawaii; Maui  
Chamber of Commerce; Land Use Research Foundation of Hawaii; and  
numerous individuals.

Your Committees received testimony in opposition to this  
measure from the Hawaii Insurers Council, Hawaii Regional Council  
of Carpenters, National Association of Mutual Insurance Companies,  
and Hawaii Association for Justice.



Your Committees received comments on this measure from the Office of the Governor, Department of the Attorney General, Department of Commerce and Consumer Affairs, Division of Consumer Advocacy for the Department of Commerce and Consumer Affairs, Public Utilities Commission, Pacific Resource Partnership, and Life of the Land.

Your Committees find that the increasing risk of catastrophic disasters in Hawaii has heightened the threat of property damage and the litigation process for compensation is costly and inefficient. An administrative claims process will provide a faster, low-cost alternative for claimants while preserving their right to litigation while ensuring the financial stability of regulated utilities. This measure creates a streamlined process to offer settlement payments for property damages quickly after a catastrophic fire without the need to undergo a lengthy and uncertain litigation process. Your Committees further find that this measure supports wildfire recovery efforts and the long-term resilience of Hawaii's utility infrastructure.

Your Committees have amended this measure by:

- (1) Amending the definition of "catastrophic wildfire" to include a wildfire that, for an electric cooperative with less than fifty thousand residential members, meets a threshold dollar amount of potential claims to be determined by the Executive Director of the Wildfire Recovery Fund;
- (2) Inserting definitions for the terms "electric cooperative", "executive officer", and "wildfire mitigation plan compliance report";
- (3) Inserting unspecified initial fund contribution amounts for ratepayers and shareholder contributions and deleting language that would have required shareholder contributions to be used exclusively for the payment of salaries for the Executive Director of the Wildfire Recovery Fund and any persons retained by the Director;
- (4) Removing language that would have made a qualified claimant who fails to file a claim by the deadline established by the Executive Director ineligible to



receive payment from the Wildfire Recovery Fund and barred from instituting or maintaining any qualifying action against a contributor;

- (5) Removing language that would have placed a cap on the aggregate liability of all contributors for qualifying damages arising from a covered catastrophic wildfire;
- (6) Limiting the definition of "wildfire recovery costs" to an investor-owned electric utility's contributions to the Wildfire Recovery Fund and electric cooperative wildfire claims costs;
- (7) Inserting language prohibiting an electric utility approved for a financing order from increasing compensation for its executive officers unless the utility's wildfire mitigation plan compliance reports have been approved by the Public Utilities Commission for five consecutive years; provided that the Commission may consider an alternative symmetric performance incentive mechanism, if the Commission deems appropriate;
- (8) Inserting language authorizing an electric cooperative to recover approved mitigation, repair, and restoration costs through an automatic rate adjustment clause or other tariff recovery mechanism established by the Public Utilities Commission;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Energy and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 1, and be referred to your Committee on Ways and Means.




Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and Energy  
and Intergovernmental Affairs,



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GLENN WAKAI, Chair



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TERRETT KEOHOKALOLE, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i


**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB1201</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">CPN/EIG, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/11/25</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.				✓
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
<b>TOTAL</b>	4	0	0	1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-top: 10px;">Carol Fukunaga</div>				
<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div><b>Distribution:</b></div> <div>Original</div> <div>Yellow</div> <div>Pink</div> <div>Goldenrod</div> </div> <div style="display: flex; justify-content: space-between; font-size: 0.7em; margin-top: 5px;"> <div>File with Committee Report</div> <div>Clerk's Office</div> <div>Drafting Agency</div> <div>Committee File Copy</div> </div>				

\*Only one measure per Record of Votes

The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Energy and Intergovernmental Affairs**  
**EIG**

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<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>			
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted           <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; margin-left: 100px;">  </div>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

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