

Honolulu, Hawaii

FEB 06 2025

RE: S.B. No. 133
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 Energy and Intergovernmental Affairs and Government Operations, to which was referred S.B. No. 133 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize state facilities to wheel electricity that is produced by their own facility from renewable energy sources to other state facilities pursuant to administrative rules established by the Public Utilities Commission; and
- (2) Require the Public Utilities Commission to submit a report to the Legislature before the Regular Session of 2026.

Your Committees received testimony in opposition to this measure from IBEW Local 1260, Kaua'i Island Utility Cooperative, and Hawaiian Electric.

Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii State Energy Office, and Public Utilities Commission.



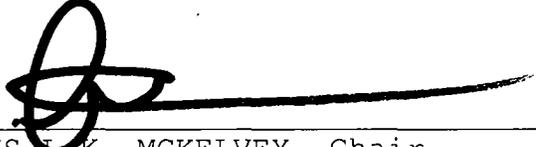
Your Committees find that intragovernmental wheeling has the potential to equitably improve the affordability of electricity and integrate more renewable energy into each of the State's six independent electricity grids. Your Committees note that although the Public Utilities Commission recently opened a docket on intragovernmental wheeling, this measure encourages the Commission to prioritize its investigation on whether this clean energy solution is feasible and in the public interest. Your Committees further note that a determination on intergovernmental wheeling requires the examination of many complex and interrelated issues, such as interconnection, availability of transmission and distribution capacity, appropriate rates and rate design, back-up power requirements, and impacts on the third-party utility and non-participating ratepayers. Therefore, additional time may be necessary to ensure proper consideration of these issues.

Accordingly, your Committees have amended this measure by:

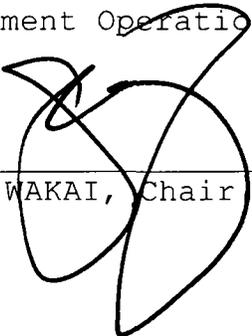
- (1) Requiring the Public Utilities Commission to submit a report to the Legislature before the Regular Session of 2027, rather than the Regular Session of 2026; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Intergovernmental Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 133, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 133, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committees on Energy and
Intergovernmental Affairs and
Government Operations,



ANGUS W.K. MCKELVEY, Chair



GLENN WAKAI, Chair



