

STAND. COM. REP. NO. 165

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 137
S.D. 1

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 137 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission to consider or impose certain conditions of approval on any order regarding the approval of an application for the acquisition, merger, or consolidation of an electric utility company by an acquiring entity; and
- (2) Establish a process that allows other entities operating under a non-investor-owned utilities ownership model to apply to the Public Utilities Commission for the acquisition, merger, or consolidation of an electric utility company.

Your Committee received testimony in support of this measure from IBEW Local 1260 and Ulupono Initiative.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Public Utilities Commission.



Your Committee finds that the State has reached significant milestones in its transition from fossil fuels to renewable energy. However, the potential for mergers and acquisitions of a certain local investor-owned utility, which may arise as a result of the 2023 Maui wildfires or other circumstances, creates the risk of jeopardizing those advancements. This measure seeks to mitigate these risks by requiring the Public Utilities Commission to impose certain conditions of approval for these types of acquisitions and mergers, thereby preserving the State's progress toward sustainability.

Your Committee acknowledges issues raised in testimony concerning the potential impact to collective bargaining agreements. Amendments to this measure are therefore necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that requires an acquiring entity to assume and be bound by the terms and conditions of any existing collective bargaining agreement in place of the time of the acquisition, merger, or consolidation, as it relates to covered employees;
- (2) Inserting a definition for "covered employees";
- (3) Inserting legislative findings;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 137, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



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



JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 137	Committee Referral: CPN, JPD/WAM	Date: 1/31/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"				✓
AWA, Brenton				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes