

Honolulu, Hawaii

FEB 28 2025

RE: S.B. No. 137
S.D. 2

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

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 137, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission to impose certain conditions of approval on any order approving, in whole or in part, an application for the proposed acquisition, merger, or consolidation of an electric utility company by an acquiring entity;
- (2) Establish a process to ensure that when an application for the proposed acquisition, merger, or consolidation of an electric utility company is filed with the Public Utilities Commission by an acquiring entity that is an investor-owned utility, alternative applications filed by acquiring entities that operate under a non-investor-owned utilities ownership model will be concurrently reviewed; and
- (3) Require an acquiring entity of an electric utility company to assume and be bound by any existing collective bargaining agreements entered into by the



electric utility company, as it applies to covered employees.

Your Committees received testimony in support of this measure from the International Brotherhood of Electrical Workers Local 1260, Ulupono Initiative, and AES Hawai'i.

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

Your Committees find that during the State's transition from fossil fuels to renewable energy, the State has achieved significant milestones, such as the one hundred percent renewable portfolio standards and performance-based regulation frameworks. However, the potential for mergers or acquisitions involving investor-owned utilities poses a risk of backsliding or undermining these advancements to the detriment of utility customers. This measure will provide necessary safeguards to foster transparency and fairness in the regulatory process to ensure that utility ownership changes do not compromise public interest or environmental sustainability.

Your Committees have amended this measure by:

- (1) Deleting language that would have required the Public Utilities Commission to consider or impose certain conditions of approval on any order approving, in whole or in part, an application for the proposed acquisition, merger, or consolidation of an electric utility company by an acquiring entity;
- (2) Requiring the Public Utilities Commission to consider whether approving a proposed merger or acquisition would or would not further the State's renewable energy goals;
- (3) Requiring an acquiring entity to retain all covered employees and not induce or cause a reduction in force, or terminate a covered employee, other than for cause consistent with any collective bargaining agreement;
- (4) Amending section 1 to reflect its amended purpose; and



- (5) 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 Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 137, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 137, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Ways and Means,

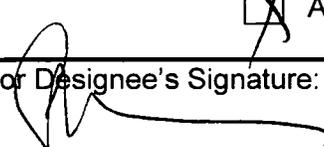

DONOVAN M. DELA CRUZ, Chair


KARL RHOADS, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

| | | | | |
|---|---------------------|-----------------|---------------------|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SBI 37 SD1 | CPN, JDC/WAM | 2-26-2025 | | |
| <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 |
| DELA CRUZ, Donovan M. (C) | X | | | |
| MORIWAKI, Sharon Y. (VC) | X | | | |
| AQUINO, Henry J.C. | X | | | |
| DECOITE, Lynn | X | | | |
| ELEFANTE, Brandon J.C. | X | | | |
| HASHIMOTO, Troy N. | X | | | |
| INOUYE, Lorraine R. | X | | | |
| KANUHA, Dru Mamo | X | | | |
| KIDANI, Michelle N. | X | | | |
| KIM, Donna Mercado | X | | | |
| LEE, Chris | X | | | |
| WAKAI, Glenn | X | | | |
| FEVELLA, Kurt | X | | | |
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| | | | | |
| TOTAL | 13 | 0 | 0 | 0 |
| 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