



JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Commerce and Consumer Protection
Thursday, February 20, 2025
9:30 a.m.
Conference Room 229

On the following measure:
S.B. 133, S.D. 1, RELATING TO ENERGY

WRITTEN TESTIMONY ONLY

Chair Keohokalole and Members of the Committee:

My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to: (1) authorize state facilities to wheel electricity that is produced by their own facility from renewable energy sources to another state facility pursuant to administrative rules established by the Public Utilities Commission (Commission); and (2) require the Commission to submit a report to the Legislature.

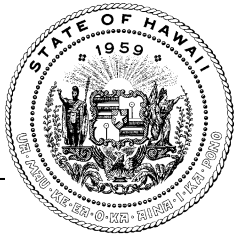
The Department appreciates the bill's intent to support the State's ability to install renewable energy facilities and also to facilitate the sharing of renewable energy facility benefits among different state agencies. The issue of intragovernmental wheeling has been evaluated for many years and in various Commission's dockets, including Docket No. 2007-0176. At the time of Docket No. 2007-0176, the State's options to support

renewable energy projects were limited and standing up an intragovernmental wheeling program would have required considerable resources. Since then, concepts related to wheeling were also reviewed in various other Commission proceedings including in Docket No. 2020-0204 (regarding the University of Hawaii); Docket No. 2018-0163 (related to microgrids); and Docket No. 2019-0323 (related to distributed energy response policies).

Recently, the Commission on July 1, 2024, opened an investigation to establish electricity wheeling policies and procedures for the electric utilities serving the State (Docket No. 2024-0200). As set forth in Commission Order No. 40879 initiating the investigation, the first three phases of the docket would involve stakeholder outreach to scope the initial focus for intragovernmental wheeling and specific docket proceedings (including an intervention period) resulting in a decision by November 2025 establishing intragovernmental wheeling policies and procedures if the Commission determines such to be in the public interest. With the lessons learned during these early phases the Commission states that such lessons will be applied to subsequent phases to implement an intragovernmental wheeling policy and explore retail wheeling. In its latest Monthly Status Update, issued on January 15, 2025, the Commission specifically outlined next steps for the wheeling investigation to be the issuance of a proposed workplan, including draft definitions, a draft statement of issues, and a procedural schedule of upcoming stakeholder meetings to further refine the investigation, with an anticipated four more stakeholder meetings by September 2025.

In view of the foregoing, the Department respectfully offers that the Commission be allowed to move forward and complete the work set forth in Docket No. 2024-0200.

Thank you for the opportunity to testify on this bill.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-3807
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
Thursday, February 20, 2025
9:30 AM
State Capitol, Conference Room 229 and Videoconference

Providing Comments on
SENATE BILL NO. 133 SD1

RELATING TO ENERGY.

Chair Keohokalole, Vice Chair Fukunaga, and members of the Committee, Hawai'i State Energy Office (HSEO) respectfully offers comments on Senate Bill 133 SD1, which authorizes State facilities to wheel electricity that is produced by their own facility from renewable energy sources to another State facility pursuant to administrative rules established by the Public Utilities Commission (PUC) and requires the PUC submit a report to the Legislature.

HSEO supports the concept of intragovernmental wheeling but emphasizes the need to approach wheeling with care, primarily to avoid unintended impacts on the overall electricity grid.

HSEO wishes to inform the Committee that unintended consequences of electricity wheeling may result under certain design parameters. Such consequences include inequities from additional costs associated with generation not benefitting all utility customers, costs associated with necessary transmission and distribution measures proposed by the utility for grid stability, and costs associated with overdesign of mitigation measures and methods to attain efficient means of managing and accounting for wheeling transactions. Assessing these impacts in advance of deploying wheeling is prudent and consistent with the intent of interconnection studies required by the electric utility to understand potential increased load or loss of load circumstances. Among the specific issues for assessment and consideration of prevention measures are overabundance of load that overwhelms and congests the transmission lines and can lead to overheating and sagging of the transmission lines which can eventually lead to failure of the lines, system imbalances, unanticipated power flows, and instability. The additional loads from electricity wheeling could lead to higher stress on the transmission and distribution system and that an increased frequency of transmission system maintenance, updates, and replacements may be required.

With those caveats in mind, HSEO supports the exploration of intragovernmental wheeling since it has the potential to equitably improve the affordability of electricity and integrate more renewable energy into each of Hawai‘i’s six independent electricity grids. HSEO also supports the concept of sharing bill credits between government agencies to explore intragovernmental wheeling.

HSEO also cautions that exploring intragovernmental wheeling may not necessarily answer the fundamental question of whether wheeling, deployed broadly in Hawai‘i, would be in the public interest. Intragovernmental wheeling and wholesale wheeling in Hawai‘i could likely diverge and have very different impacts from broader island-wide deployment of wholesale wheeling. The mechanisms used in intragovernmental wheeling may not be scalable to use in wholesale wheeling. HSEO suspects that further investigation would have to occur post-intragovernmental wheeling before wholesale wheeling could be initiated and before answering the question of whether intragovernmental wheeling in Hawai‘i is in the public interest.

Given HSEO’s support of increasing electricity affordability and increasing renewable energy generation, HSEO supports intragovernmental wheeling through SB133 SD1 but cautions the Legislature to ensure the design parameters prevent inequity and ensure grid and cost stability.

Thank you for the opportunity to testify.



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair

DATE: Thursday, February 20, 2025
TIME: 9:30 AM
PLACE: Conference Room 229

SB 133 SD1 Wheeling

STRONGLY OPPOSE

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 55 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

The proposed bill is unneeded, pointless, duplicative, and detrimental. The Public Utilities Commission has an open and ongoing docket examining wheeling. The difference between what the Commission is doing and what this bill would do is (1) the Commission will only implement wheeling if it is reasonable and in the public interest whereas this bill says do it anyway, and (2) the Commission is taking sufficient time to examine the issue whereas this bill has a deadline. Interestingly, most of the governmental entities in the Commission's wheeling proceeding have no plans to implement wheeling if it is authorized.

Mahalo
Henry Curtis
Executive Director



Email: communications@ulupono.com

SENATE COMMITTEE ON COMMERCE & CONSUMER PROTECTION
Tuesday, February 20, 2025 — 9:30 a.m.

Ulupono Initiative offers comments on SB 133 SD1, Relating to Energy.

Dear Chair Keohokalole and Members of the Committee:

My name is Mariah Yoshizu and I am the Government Affairs Associate at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono offers comments on SB 133 SD1, which authorizes state facilities to wheel electricity that is produced by their own facility from renewable energy sources to another state facility pursuant to administrative rules established by the Public Utilities Commission.

On July 1, 2024, the Public Utilities Commission (PUC) initiated an investigation (Docket No. 2024-0200) to establish policies and procedures for electricity wheeling within the state's regulated utility system. As outlined in Commission Order No. 40879, the first three phases of this proceeding involve comprehensive stakeholder engagement to define the scope of intragovernmental wheeling, followed by formal proceedings—including an intervention period—to evaluate the issue and determine whether implementing such policies would serve the public interest. A final decision on intragovernmental wheeling policies and procedures is expected by November 2025.

The Commission has also indicated that insights gained from these early phases will inform future considerations, including broader implementation of an intragovernmental wheeling policy and potential exploration of retail wheeling. The most recent Monthly Status Update, issued on January 15, 2025, details the next steps in the investigation, including the release of a proposed workplan with draft definitions, a draft statement of issues, and a procedural schedule. Additionally, at least four more stakeholder meetings are anticipated by September 2025 to refine key aspects of the investigation.

Investing in a Sustainable Hawai'i



Given this ongoing regulatory process, we respectfully suggest that the Commission be given the opportunity to complete its work under Docket No. 2024-0200 before additional statutory changes are enacted.

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu
Government Affairs Associate



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION**

SB 133, SD1

Relating to Energy

Thursday, February 20, 2025

9:30 am

State Capitol, Conference Room 229

James Abraham
Associate General Counsel
Hawaiian Electric

Dear Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee,

My name is James Abraham and I am submitting written testimony on behalf of Hawaiian Electric **in opposition to** SB 133, SD1, Relating to Energy.

Hawaiian Electric supports programs that aid renewable energy by enabling customers to use their renewable energy systems more effectively; however, the utility also recognizes the importance of equity and ensuring that the benefits of wheeling are balanced with any additional costs or burdens that may be placed on non-wheeling customers. Hawaiian Electric appreciates that this bill takes into account these considerations and seeks to protect non-wheeling customers from detrimental cost shifting.

However, Hawaiian Electric believes that this bill is unnecessary because it seeks to require a process that is already underway. The Public Utilities Commission has an ongoing docket to examine wheeling in Hawai'i (Docket No. 2024-0200), which has involved various public and private stakeholders. In 2024, the Commission conducted outreach to various State, county, and federal governmental agencies to gauge interest in intragovernmental wheeling. On December 9, 2024, the Commission hosted the first

Stakeholder Meeting, which was attended by approximately 85 attendees. The primary goals of this initial meeting were to (1) allow attendees to gain a clear understanding of the docket's goals and objectives; (2) discuss the working definition of wheeling; (3) address stakeholder feedback; and (4) have Hawaiian Electric present on the technical feasibility for wheeling. The Commission has scheduled four more Stakeholder Meetings in February, April, June, and August, and stated that it plans to come to a decision on whether wheeling among governmental agencies is in the public interest by November 2025. If the Public Utilities Commission determines intragovernmental wheeling to be in the public interest pursuant to their investigation, it stated that the next step is to implement intragovernmental wheeling policies and procedures. Accordingly, Hawaiian Electric recommends that these important and complex matters get fully vetted and determined with the right stakeholders through the ongoing regulatory process before the Commission.

For these reasons, Hawaiian Electric **opposes** SB 133, SD1. Thank you for this opportunity to submit written testimony.



INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

THIRTY-THIRD LEGISLATURE, 2025, Committee on Commerce and Consumer Protection

HEARING DATE: Thursday, February 20, 2025

TIME: 9:30 a.m.

PLACE: Senate Committee Room 229

RE: Senate Bill 133 SD1- OPPOSE

Aloha Honorable Chair Keohokalole, Vice-Chair Fukunaga, and Committee Members;

The International Brotherhood of Electrical Workers Local 1260 (IBEW 1260) offers the following testimony in OPPOSITION to Senate Bill 133 SD1.

IBEW Local 1260, is comprised of approximately 3,000 members throughout Hawaii and Guam and consists of a diverse and highly-skilled workforce that supports the electric utility infrastructure across our state as well as government service contracts and broadcasting. It's our duty to serve and to protect the well-being of our members, but beyond that, it is incumbent upon all of us to serve and protect the well-being of our island home.

SB133 SD1 authorizes state facilities to wheel electricity that is produced by their own facility from renewable energy sources to another state facility pursuant to administrative rules established by the public utilities commission.

SB133 SD1 reduces economies of scale and increases the cost of electricity to those who can least afford it. IBEW Local 1260 does not believe the long-term impacts that wheeling may have on a community have been fully vetted. If SB133 SD1 is adopted, state facilities will be authorized to generate and sell electricity independent of the grid, although the fixed costs of operating and maintaining the system will remain unchanged and passed on to those left in the system, essentially increasing the cost of electricity to those who can least afford it.

Overall long-term grid integrity, reliability, and safety may become compromised. In addition to cost and equity concerns, the safety of the general-public and those charged with maintaining the grid is of paramount concern. It's unclear what long-term impacts the integration of third-party non-utility power generation into the grid may have on the overall system.

The public utilities commission has opened discussions on wheeling between government facilities (Public Utilities Commission Docket No. 2024-0200) but have yet to issue findings. Until such time that the PUC issues its findings on Docket 2024-0200, IBEW Local 1260 believes any legislation to authorize wheeling is premature and could adversely affect the electric utility's ability to provide firm, safe, reliable, and "*equitable*" energy to the people of Hawaii.

As such we respectfully request that you **HOLD** this measure.
Mahalo for the opportunity to testify.

SB-133-SD-1

Submitted on: 2/16/2025 3:32:52 PM

Testimony for CPN on 2/20/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

Makes sense.

Thank you

Mrs. Ruth Love

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
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465 S. KING STREET, #103
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Testimony of the Public Utilities Commission

To the
Senate Committee on
Commerce and Consumer Protection

February 20, 2025
9:30 a.m.

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

Measure: S.B. No. 133, S.D. 1
Title: RELATING TO RENEWABLE ENERGY.

Position:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

Comments:

The Commission appreciates the intent of this measure to authorize state facilities to wheel electricity that is produced by their own facility from renewable energy sources to another state facility. The Commission supports examination of diverse measures that would promote the production of clean electricity and understands that generators of renewable energy play an important role in the State's transition to renewable energy.

With respect to intragovernmental wheeling, the Commission notes that it requires an examination of many complex and interrelated issues to ensure reliability and cost-effectiveness, such as interconnection, availability of transmission and distribution capacity, appropriate rates and rate design, back-up power requirements, and impacts on the utility and non-participating ratepayers. As discussed in the 2024 legislative session, the Commission agreed to open a docket to investigate whether electricity wheeling is in the State's public interest.

In July 2024, the Commission opened Docket No. 2024-0200 to prompt feedback from key stakeholders regarding the feasibility of wheeling in Hawaii and will determine whether intragovernmental wheeling, as part of its initial stage, is in the public interest. This would be followed by a report to the Legislature no later than twenty days prior to the convening of the regular session of 2026.

The Commission notes that it previously investigated intragovernmental wheeling to a limited extent in Docket No. 2007-0176, which closed in 2019 and led to the refined focus on microgrids, a form of distribution-level wheeling being explored in Docket No. 2018-0163. Additionally, the Commission has been exploring compensation for small-scale customer generators in the distributed energy resources (“DER”) docket, Docket No. 2019-0323; has established policies and procedures for shared energy projects and agreements at various scales in the community-based renewable energy (“CBRE”) docket, Docket No. 2015-0389; and is looking at rate impacts to non-participants in such programs in the energy equity and justice docket, Docket No. 2022-0250. These previous and ongoing investigations would be reflected in the scope of the investigatory docket.

The Commission believes that it would be beneficial to first develop a sufficient record through the investigatory docket to determine whether intragovernmental wheeling is in the public interest before implementing appropriate policies and procedures to enable wheeling. The Commission recommends this ongoing docket be allowed to proceed and report back to the legislature prior to establishing any policies and procedures that may have unintended consequences.

The Commission appreciates the amendment to the measure, extending the deadline for the Commission’s to submit a report to the Legislature “before the Regular Session of 2027, rather than the Regular Session of 2026.” Consistent with this amendment, the Commission request the following change to the proposed statutory language in the current measure for your consideration:

Page 2, Lines 12-14

(b) No later than December 31, ~~2025~~ 2026, if determined to be in the public interest, the public utilities commission shall establish, by rule or order, policies and procedures to implement wheeling pursuant to subsection (a).

Thank you for the opportunity to testify on this measure.



LATE

LATE

Testimony Before the Senate Committees on Commerce and Consumer Protection

By David Bissell
President and Chief Executive Officer
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Thursday, February 20, 2025; 9:30 am
Conference Room #229 & Videoconference

Senate Bill No. 133 SD1 - RELATING TO ENERGY

To the Honorable Chair Jarrett Keohokalole, Vice Chair Carol Fukunaga, and Members of the Committee:

Kaua'i Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC opposes this measure.

Following the 2024 legislative session, in response to requests from the state legislature, the Hawai'i Public Utilities Commission (PUC) opened Docket No. 2024-0200 for the purpose of determining what role wheeling should play in Hawai'i for the benefit of the renewable energy transition, starting with intragovernmental wheeling. The docket is focused on the following two objectives:

1. To determine if intragovernmental wheeling is in the public interest by November 2025; and
2. To implement intragovernmental wheeling policies and procedures, if the Commission determines such to be in the public interest pursuant to this investigation.

KIUC is a participant in this docket and the parties have been actively discussing the issues involved with wheeling over the past several months. We recommend that no action be taken regarding intergovernmental wheeling until the PUC has finished its work under Docket No. 2024-0200.

Mahalo for your consideration.

LATE

SB-133-SD-1

Submitted on: 2/18/2025 5:56:04 PM

Testimony for CPN on 2/20/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Davin Kazama	Individual	Support	Written Testimony Only

Comments:

Aloha.

Thank you for the opportunity to submit my SUPPORT OF SB133.

We all know the benefit of high school sports and the community that it breeds. The pride that kids feel from representing their schools, playing with, against, and in front of family and friends...that community is what makes sports so critical in the development of our youth today.

We all know that Hawaiians invented surfing and were once banished from participating in it. There is no sport more engrained in Hawaii's culture, and yet has been actively excluded from Hawaii's list of high school sports.

What we might not know, however, is that because surfing is not an interscholastic sport in Hawaii:

1. Surfers are ineligible for numerous international, national, and local scholarships, including the prestigious HMSA Kaimana Awards & Scholarship Program which has granted higher education funds to Hawaii High School Athletic Association athletes for 20 years. \$100,000 will be granted this year, and not a single dollar will or has ever been received by an HHSAA surfer/athlete, because there is no such thing.

2. Surfers are not viewed as student-athletes on their college applications. They are simply viewed as students, hurting their college options and chances of admission.

3. With no team option, many surfers forsake in-person schooling. These students do their schooling and training individually, separating themselves from their classmates and peers. This isolation and individualism works well for some, but less so for others.

There is a way forward, though. Let's commit to finding a way to get this done. Together, let's put in the work to create opportunities.

The passage of SB133 is a necessary step to providing our community with what it's been wanting for decades. Surfing as a statewide sport is a dream that is well within our reach and it starts with SB133. Let's do this.

Thank you,

Davin Kazama

P.S. I understand that there is concern over the cost of a surf contest, estimated at \$4,350, versus \$1,800 for a football game. I'd like to respectfully point out that a surf contest features 12 teams (\$362.50 per team, per contest) whereas a football game features 2 teams (\$900 per team, per game). Thank you.

SB-133-SD-1

Submitted on: 2/19/2025 4:06:31 PM

Testimony for CPN on 2/20/2025 9:30:00 AM

LATE

LATE

Submitted By	Organization	Testifier Position	Testify
Carol Philips	Individual	Support	Written Testimony Only

Comments:

Passing this legislation will help Hawaii bring home more Olympic Gold Medels in surfing.