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Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Energy & Environmental Protection
Thursday, February 12, 2026
9:45 a.m.
Via Videoconference

On the following measure:
H.B. 2243, RELATING TO ELECTRIC ENERGY

Chair Lowen 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) require all electric utilities to provide transparent customer bill impact analyses that are accessible to the public in an electronic format reasonably usable by ratepayers; (2) establish requirements for bill impact analyses; and (3) require electric utilities to submit annual reports to the Public Utilities Commission (Commission).

The Department supports the intent of this bill given that it would enable increased public transparency of electric utilities' quantification of the impacts of energy generation and/or storage projects on residential utility customer's bills. The Department offers that the legislation could potentially be substantially simplified by requiring that when the utility submits an application for approval of a power purchase agreement or utility owned

generation to the Commission, the utility be required to file unredacted workpapers used to develop the customer bill impact analysis of a generation and/or storage project that has been proposed to the Commission for approval together with a general explanation of the methodology used and key assumptions. The utility provides its analysis as part of its application.

The Department would like to better understand the electric utility's specific concerns regarding how providing unredacted calculations for its bill impact calculations would adversely impact on the competitiveness of the competitive bidding process for procuring new generation.

Thank you for the opportunity to testify on this bill.

OFFICE OF INFORMATION PRACTICES

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To: House Committee on Energy & Environmental Protection

From: Carlotta Amerino, Director

Date: February 12, 2026, 9:45 a.m.
State Capitol, Conference Room 325

Re: Testimony on H.B. No. 2243
Relating to Electric Energy

Thank you for the opportunity to submit testimony on this bill, which would require electric utilities to provide customer bill impact analyses to the Public Utilities Commission (PUC), and require the PUC to make them publicly available in electronic form. The Office of Information Practices (OIP) takes no position on the substance of this bill, but offers comments on a confidentiality provision.

Proposed subsection 269-47(e)(2), HRS, on bill page 7, would allow the PUC to determine what bill impact analysis information provided by an electric utility is confidential “for reasons of cybersecurity or system security” and redact that information from what is made publicly available. The Uniform Information Practices Act (UIPA), chapter 92F, HRS, provides uniform standards for disclosure of government records, including the exceptions allowing records to be withheld from the public when appropriate. To be consistent with the UIPA’s standards and not undermine the transparency this bill is intended to provide, OIP respectfully recommends that instead of leaving it up to the PUC to decide what bill impact analysis information is confidential, the subsection should clarify that the PUC’s discretion to redact information from the proactive electronic disclosure required by

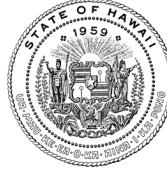
this bill does not automatically make that information exempt from disclosure under the UIPA. Specifically, **OIP recommends amending subsection 269-47(3)(2) to add an additional proviso at the end, at bill page 7, line 16**, as follows (added language underlined):

“. . . provided that confidentiality shall not apply to cost, pricing, or operational assumptions necessary for ratepayer understanding; and provided further that in response to a public record request, the redacted information may be withheld only to the extent authorized by chapter 92F.”

Thank you for considering OIP’s testimony.

JOSH GREEN, M.D.
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Testimony of the Public Utilities Commission

To the
House Committee on
Energy & Environmental Protection

February 12, 2026
9:45 a.m.

Chair Lowen, Vice Chair Perruso, and Members of the Committee:

Measure: H.B. No. 2243
Title: RELATING TO ELECTRIC ENERGY.

Position:

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

Comments:

The Commission supports the intent of this measure to provide increased transparency to ratepayers and to allow for comprehensive bill impact analysis of project impacts on electric rates.

With respect to proposed electric generation and storage projects from the utilities, the Commission notes that there are certain elements of a typical bill impact analysis, before Commission decision, that may need to be redacted for public review. This includes, but is not limited to, contracts with Hawaiian Electric's suppliers that stipulate that pricing is not made public; proposed pricing that Hawaiian Electric provides in a self-build bid that would disadvantage Hawaiian Electric in future competitive bidding scenarios, and other sensitive or competitive terms. The Commission also notes, due to the competitive harm of disclosure to proposers, that disclosure of contract terms could potentially disincentivize the submission of proposals in a market (i.e., Hawaii) that already struggles to receive an adequate number of electric generation and storage project proposals.

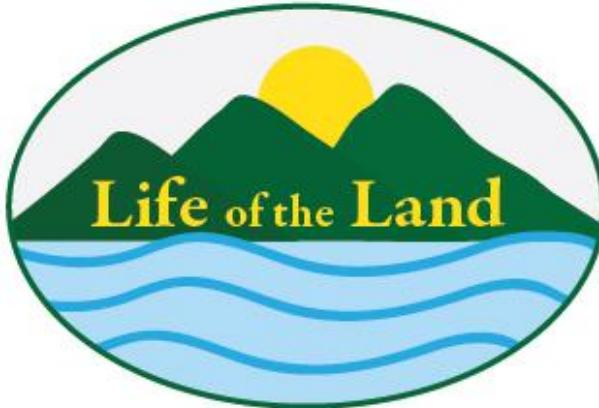
Additional concerns related to disclosing the information sought by this measure include the following: 1) such proposed project information would be voluminous; 2) the Commission considers information from other energy generation and storage projects beyond the proposed project; and 3) following time and effort to disclose voluminous

information, the proposed project may not be ultimately approved. If this measure is passed into law, the Commission recommends narrowing the scope to information related to Commission approved projects.

Additionally, the Commission notes that the measure does not identify a threshold for which proposed energy or storage projects would be impacted. Consistent with General Order 7, the Commission suggests that the threshold be set for projects requesting cost recovery at or above \$4.3 million. As for projects that fall below the \$4.3 million threshold, a simple “roll-up” could be provided.

With the recommended modifications to this measure, to remove projects that are not yet decided by the Commission, disclosure of all approved projects, including projects which have not proceeded, could be achieved on Hawaiian Electric’s website, with easy-to-use mouse-over diagrams that highlight the bill impact of each particular project with summaries of all approved projects on an annual basis.

Thank you for the opportunity to testify on this measure.



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COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Amy A. Perruso, Vice Chair

DATE: Thursday, February 12, 2026

TIME: 9:45 a.m.

PLACE: Conference Room 325

HB 2243

Electrical Energy

PLEASE HOLD

Aloha Chair Lowen, Vice Chair Perruso, 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 56 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.

HB 2243 talks about access and transparency, but that is not what the bill is about.

If increased transparency is greatly desired, then dedicated community groups with passion and tenacity need to intervene at the Hawaii PUC. In California, they receive intervenor funding.

The Hawaii Public Utilities Commission and the Consumer Advocate have dozens of specialized staff and contract with specialized consulting agencies.

The bill wants to take all that expertise, and tens of thousands of pages of technical information, a dozen complex and proprietary models, detailed analysis, and classified cost data, and boil it down to a simple output whereby the average person can conduct "sensitivity analysis and scenario testing" to verify all the accounting, finance, and engineering assumptions that inform future cost estimates.

The bill proposes to release confidential cost data that will directly help independent power producers to game their bids in reacting to a competitive bidding solicitation, negatively impacting all ratepayers.

The bill asks why lower renewable energy costs have not reduced energy bills. The answer is obvious. Hawaii utilities face rising operations and maintenance costs that are due to aging equipment and climate-induced disasters including wildfires.

The bill confuses rates and costs.

Hawaii has high electricity rates and low usage due to our temperate weather, resulting in electric bills that are one-and-a-half times higher than the nation's average residential electric bill.

The nation relies on a much broader set of residential energy sources including heavy reliance on gas. When one reviews the total residential energy bill from all energy sources, Hawaii residential utility costs are not outliers.

The bill ignored important reasons for delays.

"Previously contracted energy generation and energy storage projects that have been delayed or terminated due to inflation, supply chain constraints, and changes in federal incentives have only exacerbated this affordability problem."

Publicly available to everyone who wants it, the PUC publishes HECO's detailed monthly update on all projects that have PUC approval but have not yet become

operation. This information is public and easily accessible and easy to understand. The PUC Case and Document Management Site allow anyone to get all public filings in any proceeding. See docket no. 2021-0024

The discussion on delays overlooks key factors including the shifting tariffs imposed on solar panels, as well as HECO's financial status due to the wildfires. The latter was addressed by the enactment of Act 191 (SB 1501) that established the Power Purchase Costs Trust Fund and addresses step-in agreements for certain power purchase agreements.

Finally, the utility cost of complying with this legislation will be extremely expensive and the costs would be passed on to ratepayers, thus negatively impacting affordability.

* * *

Having completed Life of the Land's analysis, we turned to our paid AI app (Perplexity Pro 2.0). AI can provide analysis that is useful to those grounded in a subject matter. All citations need to be checked. All AI info needs to be validated and verified.

The Question:

We provided a link to HB2243. What college undergraduate and graduate courses would be needed so that the average ratepayer could meet the bills requirements, i.e., "The bill impact analysis disclosure required under subsection (c) shall be submitted in an electronic format reasonably usable by ratepayers and others and for purposes of reviewing and analyzing the underlying assumptions and calculations and sufficient to allow sensitivity analysis and scenario testing."

The Perplexity Pro 2.0 Answer:

To interpret and stress-test HB2243 bill impact disclosures as described, an “average ratepayer” would effectively need a light version of an energy-focused economics, data, and regulation curriculum, not just basic numeracy.

Core quantitative foundation

At minimum, they would need the equivalent of:

Introductory statistics: descriptive statistics, confidence intervals, basic regression, and sensitivity concepts.

College algebra and finite math: linear equations, percentages, growth rates, NPV/discounting at a conceptual level.

Spreadsheet modeling: intermediate Excel/Sheets skills (cell formulas, lookup functions, data tables, scenario manager, pivot tables).

Energy, economics, and regulation

To understand the “underlying assumptions and calculations” in a utility bill impact model, undergrad-level exposure to these areas would be needed:

Microeconomics (principles): demand, supply, elasticity, consumer surplus, incidence of price changes.

Public utility economics / energy economics (upper-division undergrad or master’s elective): rate design, cost allocation, marginal vs average cost, fixed vs variable charges, decoupling, PBR mechanisms.

Regulatory process / administrative law (survey course): how PUC proceedings work, what kinds of filings and testimonies underlie the model, and what “scenarios” typically represent (e.g., fuel prices, load forecasts, resource plans).

Modeling and sensitivity analysis

To “allow sensitivity analysis and scenario testing,” a user would need skills closer to applied modeling courses:

Quantitative methods / business analytics: building and interpreting simple multi-input models, running one-way and multi-way sensitivity tests, understanding parameter uncertainty.

Basic data science for policy or business (upper-division undergrad or entry-level graduate): working with CSVs, documenting assumptions, interpreting model outputs, and recognizing model limitations.

Communication and documentation literacy

Because HB2243 implies that utilities must provide documentation in a “reasonably usable” electronic format, a ratepayer who truly uses it would also need:

Technical writing and information literacy: reading technical appendices, understanding variable definitions, data dictionaries, and methods sections.

Basic programming literacy (optional but increasingly relevant): introductory course in R, Python, or similar, sufficient to reproduce or tweak provided scripts if utilities publish open model code or Jupyter notebooks.

Graduate -level depth (for full independent review)

To independently audit or significantly challenge the underlying modeling rather than just explore scenarios, you move into graduate -level content:

Graduate public finance or regulatory economics: incidence of regulatory charges, long-run cost of capital, and intertemporal cost recovery.

Utility rate-making or energy systems modeling (specialized master's seminars): integrated resource planning concepts, production cost modeling, and more advanced scenario design.

In practice, HB2243's standard is aspirational for a typical household; it effectively assumes that if the utility supplies well-structured spreadsheets or datasets with clear documentation, then any ratepayer with roughly a quantitative social-science or business undergraduate background (or a motivated layperson who has acquired similar skills) could perform meaningful sensitivity and scenario analysis.

Henry Curtis
Executive Director



Testimony Before the House Committee on Energy & Environmental Protection

By Scott Sato
Government Affairs & Energy Services Manager
Kaua'i Island Utility Cooperative
4463 Pahe'e Street, Suite 1, Līhu'e, Hawai'i, 96766-2000

Thursday, February 12, 2026; 9:45 am
Conference Room #325 & Videoconference

House Bill No. 2243—RELATING TO ELECTRIC ENERGY

To the Honorable Chair Nicole E. Lowen, Vice Chair Amy A. Perruso, 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.

KIUC supports transparency and accountability in utility regulation and has a strong history of working collaboratively with the Public Utilities Commission (PUC) to provide information necessary for effective oversight. However, House Bill No. 2243 raises concerns by potentially requiring the public disclosure of information that is more appropriately reviewed and evaluated by the PUC in the first instance.

KIUC believes the PUC is best positioned to review bill impact analyses and determine whether specific information should be made public or allowed to remain confidential. The PUC already has established procedures and expertise to balance the public interest in transparency with the legitimate need to protect sensitive information.

There are often valid and necessary reasons why KIUC cannot publicly disclose all components of a bill impact analysis. These reasons include, but are not limited to:

- Protecting competitive and market-sensitive information that could place the cooperative at a disadvantage;
- Avoiding the compromise of ongoing or future negotiations related to power purchases, contracts, or infrastructure development; and
- The complexity and preliminary nature of certain data, which may be subject to assumptions, evolving inputs, or proprietary methodologies that are not well-suited for public release without proper regulatory context.

Mandating disclosure without allowing the PUC to make confidentiality determinations could inadvertently harm KIUC's ability to operate efficiently and prudently on behalf of its member-owners.

For these reasons, KIUC respectfully requests that House Bill No. 2243 be deferred.

Thank you for the opportunity to provide comments on this measure. Mahalo for your consideration.



TESTIMONY TO THE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

9:45 AM, FEBRUARY 12, 2026

Conference Room 325 & Via Videoconference

HB 2243

Chair Lowen, Vice Chair Perruso and Members of the Committee,

Hawaii Clean Power Alliance (HCPA) **supports HB 2243**, which requires all electric utilities to provide transparent customer bill impact analyses that are accessible to the public in an electronic format reasonably usable by ratepayers. Establishes requirements for bill impact analyses. Requires electric utilities to submit annual reports to the Public Utilities Commission.

Hawaii Clean Power Alliance is a nonprofit alliance organized to advance and sustain the development of clean energy in Hawaii. Our goal is to support the state's policy goal of 100 percent renewable energy by 2045. We advocate for utility-scale renewable energy, which is critical to meeting the state's clean energy and carbon reduction goals.

Applications for approvals of energy projects include the impact to ratepayers. More information provided to the ratepayers can help the consumers understand the benefits of clean energy and the long-term impact on their bill. They would be able to understand and compare the costs, which are stable and predictable, to the alternative of continuing volatile fossil fuel.

Consumers are suffering from the highest electricity rates in the nation and if they don't have transparent data, they could incorrectly conclude that those high rates are the result of the state's policy to achieve 100% renewable energy by 2045.

HB 2243 can help correct this inaccurate assumption by seeing data that can clearly explain the methodology, current assumptions, and compare the forecast to actual project costs every year. This will create the opportunity for continuous improvement and protect consumers.

When people understand where the numbers come from, they are more likely to support renewable energy. This bill strengthens transparency, improves decision-making, and builds confidence in Hawai'i's clean-energy future.

The concern that current RFP responses, including proposed PPA pricing, must remain confidential is largely addressed by the fact that PPA prices become public once filed with the Public Utilities Commission. If an RFP response has not been made public, the utility can aggregate and provide average pricing in their model. A central purpose of this bill is to ensure that the utility's underlying assumptions—particularly its twenty-year forward-looking projections—are reasonable and transparent. Allowing this information to be reviewed before the Commission renders a decision gives ratepayers a meaningful opportunity to examine the data and promotes greater transparency in the regulatory process.

We respectfully ask you to **pass HB2243**.



TESTIMONY BEFORE THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

HB 2243 Relating to Electric Energy

Thursday, February 12, 2026

9:45 AM

State Capitol, Conference Room CR325 & Videoconference

Dear Chair Lowen, Vice Chair Perruso, and Members of the Committee,

Hawaiian Electric is testifying with comments to **express concerns** with HB 2243, Relating to Electric Energy.

While the bill is framed as a transparency initiative intended to improve affordability, its practical effect would be the opposite: higher costs, slower project development, reduced competition, and increased regulatory conflict.

First, the Public Utilities Commission (PUC) already has the tools to achieve the bill's stated purpose. The PUC has broad authority to obtain modeling inputs, require disclosures, and evaluate the reasonableness of assumptions. The Commission, the Consumer Advocate, and intervening parties with an interest in a particular PUC proceeding routinely examine the relevant data and information to that docket. The regulatory process allows such parties to ask questions of Hawaiian Electric on such data and information as needed. The bill's "transparency" requirements do not meaningfully benefit customers. Instead, they primarily benefit market participants who would gain access to detailed utility modeling and commercial assumptions. This is not a gap that requires legislation; it is a matter already well within the PUC's discretion to manage.

Second, the bill forces disclosure of commercially sensitive and market-moving information and undermines procurement defensibility. It requires public release of cost, pricing, and operational assumptions that are normally protected to preserve competitive procurement, including bid-level pricing structures, dispatch expectations, fuel and cost forecasts, and operational strategies. Public disclosure of this information will predictably raise bid prices, as bidders will assume their pricing strategies will be exposed to competitors, and may further reduce the already small pool of participants in Hawai'i's solicitations. At the same time, revealing bid-evaluation thresholds and modeling assumptions enables bidders to strategically tailor offers to exploit known criteria rather than submit their lowest-cost proposals, compromising the fairness of the procurement process. By mandating publication of modeling structures, assumptions, and sensitivity cases, the bill also provides bidders and intervenors with a roadmap to challenge or manipulate procurement outcomes, increasing opportunities for gaming, procedural disputes, and litigation that erode the defensibility of competitive solicitations and delay or derail projects - outcomes that directly undermine affordability.

Third, the bill conflicts with existing PUC confidentiality and discovery frameworks. The PUC already has a well-established system for handling confidential information through protective orders and confidential exhibits. This bill attempts to legislate outcomes that are normally handled through Commission judgment on a case-by-case basis. By narrowing confidentiality so severely—while simultaneously requiring disclosure of cost, pricing, and operational assumptions—the bill creates direct conflict with existing regulatory practice and undermines the Commission's ability to balance transparency with market integrity.

Fourth, the continuous update requirement will delay approvals and increase litigation. Energy dockets are complex and often span many months. Assumptions routinely change as projects are delayed or withdrawn, market conditions shift, and resource plans evolve. This bill requires utilities to update and republish bill impact analyses every time a “material assumption” changes. That creates a powerful incentive for project opponents or unsuccessful bidders to argue that any change—no matter how minor—requires a full re-run of the analysis. The result will be more procedural disputes, more motions, more delays, and higher regulatory costs. This is the opposite of what Hawai‘i needs to accelerate clean energy deployment.

Moreover, the bill mandates annual publication of levelized cost of energy (LCOE) based on actual dispatch, which is technically misleading. LCOE is a lifecycle metric, not an annualized performance measure. For projects with storage—or even for standalone generation—actual dispatch varies due to system conditions, not project economics. Without careful normalization, this requirement risks producing misleading comparisons that confuse rather than inform the public.

In addition, the bill increases cyber and system security risks. The bill requires data with “temporal and geographic granularity” combined with operational assumptions. This level of detail can reveal system constraints, dispatch patterns, vulnerability points, and resource dependencies. Although the bill attempts to carve out cybersecurity exceptions, it simultaneously prohibits confidentiality for cost, pricing, and operational assumptions “necessary for understanding.” These two provisions are in direct tension, and the result is a real risk of exposing sensitive operational information.

Hawaiian Electric notes that the PUC has established a controlled and highly regulated framework under which the Company may submit bids into renewable energy

RFPs. This process is overseen by both the PUC and an Independent Observer, a PUC appointed neutral party responsible for monitoring the RFP process end-to-end and reporting to the Commission on whether it was fair, unbiased, and conducted in accordance with established rules.

Under PUC requirements, the Company's self-build team, which prepares and submits bids on behalf of Hawaiian Electric, must remain strictly separate from the RFP evaluation team reviewing all proposals. The Independent Observer closely monitors this separation, as well as the evaluation and selection process and key decisions, and flags any potential bias or rule violations. As a result of these safeguards, the self-build team does not have access to the types of information this bill would require to be made publicly available, such as resource assumptions or pricing-related bid selection criteria.

In sum, as drafted, this bill will raise costs, slow projects, reduce competition, and increase regulatory conflict - all of which undermine the State's affordability and clean energy goals. The PUC already has the authority and tools to manage transparency appropriately without the unintended consequences this bill would create.

Hawaiian Electric appreciates the opportunity to provide its **concerns** with HB 2243. Thank you for this opportunity to testify.