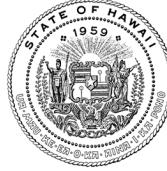


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Testimony of the Public Utilities Commission

To the
Senate Committees on
Commerce & Consumer Protection
and
Energy & Intergovernmental Affairs

February 4, 2026
9:30 a.m.

Chairs Keohokalole and Wakai, Vice Chairs Fukunaga and Chang, and Members of the Committees:

Measure: S.B. No. 2497
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 over 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 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.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'

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
And
Senate Committee on Energy and Intergovernmental Affairs
Wednesday, February 4, 2026
9:30 a.m.
Via Videoconference**

**On the following measure:
S.B. 2497, RELATING TO ELECTRIC ENERGY**

Chair Keohokalole, Chair Wakai, and Members of the Committees:

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 financial impacts of energy generation or storage projects. The Department offers that the legislation could potentially be substantially simplified by requiring the utility to file the workpapers used in

determining the financial bill impact of a generation or storage project provided in the electric utility's application to the Commission together with a general explanation of the methodology and key assumptions.

The Department would also like to better understand the electric utility's basis for deeming aspects of the bill impact calculations confidential.

Thank you for the opportunity to testify on this bill.

OFFICE OF INFORMATION PRACTICES

STATE OF HAWAII

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To: Senate Committees on Commerce and Consumer Protection and on Energy and Intergovernmental Affairs

From: Carlotta Amerino, Director

Date: February 4, 2026, 9:30 a.m.
State Capitol, Conference Room 229

Re: Testimony on S.B. No. 2497
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

Senate Committees on Commerce and Consumer Protection and on

Energy and Intergovernmental Affairs

February 4, 2026

Page 2 of 2

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.



TESTIMONY BEFORE THE SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION & ENERGY AND INTERGOVERNMENTAL AFFAIRS

SB 2497 Relating to Electric Energy

Wednesday, February 4, 2026

9:30 AM

State Capitol, Conference Room CR229 & Videoconference

Dear Chair Keohokalole, Chair Wakai, Vice Chair Fukunaga, Vice Chair Chang, and Members of the Committees,

Hawaiian Electric is testifying to express **concerns** with SB 2497, 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.

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 SB 2497. Thank you for this opportunity to testify.



Testimony Before the Senate Committee on Commerce and Consumer Protection
and Senate Committee on Energy and Intergovernmental Relations

By Scott Sato

Government Affairs and Energy Services Manager

Kaua'i Island Utility Cooperative

4463 Pahe'e Street, Suite 1, Lihu'e, Hawai'i, 96766-2000

Wednesday, February 4, 2026; 9:30 am
Conference Room #229 & Videoconference

Senate Bill No. 2497– RELATING TO ELECTRIC ENERGY

To the Honorable Chairs Jarrett Keohokalole and Glenn Wakai, Vice Chairs Carol Fukunaga and Stanley Chang, and Members of the Committees:

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, Senate Bill No. 2497 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 Senate Bill No. 2497 be deferred.

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

LATE

SB-2497

Submitted on: 2/3/2026 10:08:12 PM

Testimony for CPN on 2/4/2026 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Angela Young	Testifying for CARES Community Advocacy Research Education Services	Support	Remotely Via Zoom

Comments:

Support



TESTIMONY TO THE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION AND COMMITTEE ON ENERGY & INTERGOVERNMENTAL AFFAIRS

9:30 AM, FEBRUARY 04, 2026

Conference Room 229 & Via Videoconference

SB 2497

Chair Keohokalole, Chair Wakai, Vice Chair Fukunaga, Vice Chair Chang and Members of the Committees,

Hawaii Clean Power Alliance (HCPA) **supports SB 2497**, 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 on 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.

SB2497 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.

For these reasons, we respectfully ask you to **pass SB2497**.