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# A BILL FOR AN ACT

RELATING TO ELECTRIC ENERGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the public utilities  
2 commission relies on bill impact analyses prepared and modeled  
3 by electric utilities for proposed energy projects that estimate  
4 residential customer bill impacts to evaluate affordability.  
5 Electric utilities routinely submit customer bill impact  
6 analyses to the public utilities commission in applications for  
7 approval of energy generation power purchase agreements and  
8 other major resource additions, which inform the commission's  
9 public-interest determinations. However, in generation-related  
10 proceedings, these analyses rely heavily on assumptions  
11 developed by the electric utilities that are not fully disclosed  
12 to ratepayers. Instead, ratepayers are typically presented only  
13 with an estimated monthly dollar impact for a residential  
14 customer using five hundred kilowatt hours per month, with  
15 little to no transparency of the assumptions, calculations, or  
16 modeling underlying those estimates, limiting meaningful



1 evaluation of the appropriateness of the utilities' bill impact  
2 analyses.

3       The legislature further finds that according to the United  
4 States Energy Information Administration, Hawaii's cost of  
5 electric energy for residential, commercial, and industrial  
6 ratepayers consistently ranks the highest in the nation, despite  
7 progress made toward integrating renewable energy resources into  
8 the electric system in a manner intended to improve  
9 affordability. Previously contracted energy generation and  
10 energy storage projects that have been delayed or terminated due  
11 to inflation, supply chain constraints, and changes in federal  
12 incentives have only exacerbated this affordability problem.  
13 Additionally, long-range utility forecast changes materially  
14 affect projected resource needs, costs, and rates. As a result,  
15 failure to disclose and update the assumptions behind customer  
16 bill impact projections prevents ratepayers from evaluating and  
17 determining whether a proposed project is in the public interest  
18 and whether the projected bill impacts are reasonable, current,  
19 and accurate.

20       The legislature also finds that access to and transparency  
21 of assumptions, methodology, and outputs of the bill impact



1 analyses can empower ratepayers, increase cost-effectiveness,  
2 enable economic analysis for affordability, improve  
3 decision-making, maximize the value of investments and  
4 technologies, promote economic development, improve operational  
5 efficiency, and assist in evaluating grid stabilizing  
6 investments. Additionally, annual reporting and examination of  
7 actual monthly dispatch and levelized cost of energy data based  
8 on such dispatch are practical and highly useful for  
9 transparency and comparison purposes.

10 Therefore, the purpose of this Act is to require electric  
11 utilities to provide transparent customer bill impact analyses  
12 that are accessible to the public and updated with current data  
13 and assumptions prior to the commission's decision-making.

14 SECTION 2. Section 269-47, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "[~~§~~269-47~~]~~ **Electric power systems data access and**  
17 **transparency; principles.** (a) The commission, in carrying out  
18 its responsibilities under this chapter, shall consider the  
19 value of improving electric power systems data access and  
20 transparency within the State in order to empower ratepayers,  
21 improve decision-making related to reliability and operational



1 efficiency of the electric system, maximize the value of grid  
2 modernization technologies and investments, and promote  
3 innovation and economic development opportunities related to  
4 electric power systems data analysis.

5 (b) In advancing the public interest, the commission shall  
6 balance consumer privacy, critical infrastructure security, grid  
7 modernization, and economic innovation considerations associated  
8 with electric power systems data access and transparency,  
9 including but not limited to the following principles:

- 10 (1) Enabling ratepayers to access their energy consumption  
11 and production data;
- 12 (2) Enabling ratepayers to authorize third-party data  
13 access, and allow verification of third-party  
14 authorization through electronic signature;
- 15 (3) Increasing the amount of publicly-available data  
16 related to utility generation, transmission, and  
17 distribution systems, as well as non-utility data from  
18 third parties that provide generation or non-wire  
19 alternatives to individual customers or the grid; and
- 20 (4) Ensuring that electric power systems data is made  
21 available through simple, electronic, consistent,



1 machine-readable formats with temporal and geographic  
2 granularity.

3 (c) In addition to any requirements under this chapter,  
4 each electric utility that sells electricity for consumption in  
5 the State shall submit a bill impact analysis for a proposed  
6 electric generation or storage project to the commission, which  
7 shall provide full disclosure to ratepayers of all modeling  
8 assumptions used to calculate the projected impact on customer  
9 bills.

10 (d) The bill impact analysis disclosure required under  
11 subsection (c) shall be submitted in an electronic format  
12 reasonably usable by ratepayers and others for purposes of  
13 reviewing and analyzing the underlying assumptions and  
14 calculations and sufficient to allow sensitivity analysis and  
15 scenario testing. The bill impact analysis shall include but  
16 not be limited to the following:

17 (1) Resource assumptions that include:

18 (A) The type, capacity size, and timing of operations  
19 for all resources assumed to be on the grid  
20 during the term of the proposed project;



- 1           (B) Pricing assumptions for each resource, including  
2           fuel costs, energy costs, average annual  
3           dispatch, and any other relevant cost components;  
4           and
- 5           (C) The analysis period, identification of specific  
6           forecasts used in modeling, and any sensitivity  
7           cases considered;
- 8        (2) Project-specific assumptions that include pricing  
9        assumptions for the proposed project, including  
10       contractual pricing, annual dispatch assumed, and  
11       escalation factors;
- 12       (3) Modeling methodology that includes:
- 13           (A) A description of the modeling framework and  
14           approach used to estimate bill impacts; and
- 15           (B) Key variables, sensitivity analyses, and any  
16           scenarios considered in the modeling process; and
- 17        (4) A clear explanation of how the assumptions translate  
18        into the estimated monthly bill impact for a typical  
19        customer, including formulas or step-by-step  
20        calculations where practicable.



1        (e) For the submitted bill impact analysis disclosure data  
2 required under this section:

3        (1) The data shall be:

4            (A) Made available through simple, electronic,  
5            consistent, machine-readable formats with  
6            temporal and geographic granularity reasonably  
7            usable by ratepayers and others and for purposes  
8            of reviewing and analyzing the underlying  
9            assumptions and calculations; and

10          (B) Sufficient to allow sensitivity analysis and  
11          scenario testing; and

12        (2) The information shall be made publicly available  
13        without redaction, except for data that the commission  
14        determines to be confidential for reasons of  
15        cybersecurity or system security; provided that  
16        confidentiality shall not apply to cost, pricing, or  
17        operational assumptions necessary for ratepayer  
18        understanding.

19        (f) The electric utility shall update the bill impact  
20 analysis required under this section if, during the pendency of  
21 the proceeding, any material assumption changes, including but



1 not limited to the delay, cancellation, or non-selection of a  
2 planned project included in the analysis.

3 (g) Each electric utility shall submit an annual report to  
4 the commission of the levelized costs for energy generation and  
5 storage regarding the actual monthly dispatch and levelized cost  
6 based on the dispatch for all approved and operating energy  
7 generation and storage projects. The report shall include:

8 (1) The total energy dispatched from each energy project  
9 by month;

10 (2) The total cost incurred for each energy project by  
11 month;

12 (3) The calculation of the levelized cost of energy for  
13 each project based on actual dispatch and in dollars  
14 per kilowatt hour based on the dispatch; and

15 (4) Any adjustments or reconciliations applied to  
16 determine ratepayer charges."

17 SECTION 3. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 3000.



**Report Title:**

PUC; Electric Utilities; Bill Impact Analyses; Customer  
Transparency; Ratepayers; Reports

**Description:**

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. Effective 7/1/3000. (HD1)

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