
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 into the assumptions, calculations, or
16 modeling underlying those estimates, limiting meaningful



1 evaluation and 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 is practical and highly useful for transparency
9 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 and, for purposes of
13 reviewing and analyzing the underlying assumptions and
14 calculations, shall be sufficient to allow sensitivity analysis
15 and scenario testing. The bill impact analysis shall include,
16 at a minimum, but shall 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 made available through simple,
4 electronic, consistent, machine-readable formats with
5 temporal and geographic granularity in an electronic
6 format reasonably usable by ratepayers and others and,
7 for purposes of reviewing and analyzing the underlying
8 assumptions and calculations, shall be sufficient to
9 allow sensitivity analysis and scenario testing; and

10 (2) The information shall be made publicly available
11 without redaction, except for data that the commission
12 determines to be confidential for reasons of
13 cybersecurity or system security; provided that
14 confidentiality shall not apply to cost, pricing, or
15 operational assumptions necessary for ratepayer
16 understanding; provided further that in response to a
17 public record request, the redacted information may be
18 withheld only to the extent authorized by chapter 92F.

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, 2050.



S.B. NO. 2497
S.D. 1

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 7/1/2050. (SD1)

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