

JAN 23 2026

A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1 SECTION 1. This Act shall be known and may be cited as the
2 "Public Utilities Commission Intervenor Compensation Act of
3 2026".

4 SECTION 2. The legislature finds that public participation
5 in proceedings before the public utilities commission is
6 essential to informed regulatory decision-making that affects
7 all residents of the State. The legislature finds, however,
8 that public interest groups, community organizations, and
9 individual consumers often lack the financial, legal, and
10 technical resources necessary to effectively participate in
11 public utilities commission proceedings. In contrast, utility
12 companies typically possess extensive legal and technical
13 resources to advance their positions, resulting in a structural
14 imbalance in commission proceedings. The legislature further
15 finds that this resource imbalance can result in regulatory
16 capture, where decisions disproportionately favor utility
17 interests over consumer protection, environmental stewardship,



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1 and advancement of public policy goals. The legislature
2 believes that addressing this imbalance is particularly
3 significant for the State, where informed and effective public
4 interest participation is essential to advancing the State's
5 renewable energy goals, maintaining affordable utility rates,
6 and ensuring equitable access to utility services.

7 The legislature also finds that California and other states
8 have successfully implemented intervenor compensation programs
9 to level the playing field between community members and utility
10 companies, leading to robust public participation and better-
11 informed regulatory decision-making. California's intervenor
12 compensation program has awarded hundreds of millions of dollars
13 to public interest groups since its inception, enabling
14 participation and effective advocacy that has resulted in
15 billions of dollars in consumer savings and accelerated
16 achievement of clean energy goals. Intervenor compensation
17 programs in other jurisdictions have achieved more balanced
18 representations of diverse stakeholder interests in regulatory
19 proceedings, the introduction of technical expertise and
20 evidence that would otherwise be unavailable to the respective
21 public utilities commission, better informed commission



1 decisions, improved consumer outcomes, and greater trust in the
2 regulatory process.

3 Accordingly, the purpose of this Act is to establish an
4 intervenor compensation program to reimburse qualified
5 intervenors for reasonable costs incurred for making substantial
6 contributions in proceedings before the public utilities
7 commission.

8 SECTION 3. Chapter 269, Hawaii Revised Statutes, is
9 amended by adding a new part to be appropriately designated and
10 to read as follows:

11 **"PART . INTERVENOR COMPENSATION PROGRAM**

12 **§269- Definitions.** As used in this part:

13 "Commission" means the public utilities commission.

14 "Intervenor" means any person, other than an original
15 party, admitted as a party in a commission proceeding.

16 "Person" has the same meaning as defined in section 91-1.

17 "Reasonable costs" includes costs for legal representation,
18 expert witnesses, consultants, technical assistance,
19 administrative, document reproduction, travel to attend hearings
20 and working group meetings, and other necessary professional



1 services at rates not exceeding prevailing market rates for
2 similar services.

3 "Significant financial hardship" means that the payment of
4 reasonable costs would impose an unreasonable burden on the
5 intervenor considering the intervenor's financial resources and
6 the nature of the intervenor's interest in the proceeding.

7 "Substantial contribution" means presentation of evidence,
8 legal argument, or expert testimony that materially assists the
9 commission in reaching its decision.

10 **§269- Intervenor compensation program; established;**
11 **qualification criteria.** (a) The commission shall establish an
12 intervenor compensation program to reimburse qualified
13 intervenors for reasonable costs incurred from making a
14 substantial contribution to a commission proceeding.

15 (b) To qualify for reimbursement, an intervenor shall:

16 (1) Represent consumer, environmental, renewable energy,
17 community, or other public interests;

18 (2) Demonstrate that participation in the commission
19 proceeding without reimbursement for reasonable costs
20 would impose significant financial hardship on the
21 intervenor; provided that for nonprofit organizations,



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1 determination of significant financial hardship shall
2 consider the organization's overall budget, other
3 funding sources, and mission priorities;

4 (3) Make a substantial contribution to a commission
5 proceeding;

6 (4) Not have a commercial interest that could be
7 substantially affected by the outcome of the
8 commission proceeding; and

9 (5) Not have an alternative source of funding available
10 for the reimbursement of the reasonable costs.

11 (c) The following persons shall be presumed to have met
12 the qualification criteria in subsection (b), unless rebutted by
13 evidence to the contrary:

14 (1) Nonprofit organizations with annual budgets under
15 \$5,000,000 whose mission includes utility consumer
16 protection, environmental advocacy, or renewable
17 energy advancement;

18 (2) Community organizations representing low-income,
19 Native Hawaiian, or environmental justice communities;

20 (3) Academic institutions or researchers providing
21 independent technical analysis; and



1 (4) Individual ratepayers or small ratepayer groups
2 without commercial interests in the outcome of the
3 commission proceeding.

4 (d) Intervenor compensation shall be available for all
5 commission proceedings, with particular emphasis on proceedings
6 involving:

- 7 (1) General rate cases and revenue requirement
- 8 determinations;
- 9 (2) Integrated resource planning and renewable energy
- 10 procurement;
- 11 (3) Distributed energy resource programs and
- 12 interconnection standards;
- 13 (4) Performance-based regulation and utility incentive
- 14 mechanisms;
- 15 (5) Grid modernization and infrastructure investment; and
- 16 (6) Low-income customer programs and rate design.

17 **§269- Reimbursement procedure.** (a) An intervenor
18 seeking reimbursement of reasonable costs shall file with the
19 commission:



1 (1) A notice of intent to request reimbursement, no later
2 than thirty days after being admitted as a party in
3 the commission proceeding;

4 (2) A final request for reimbursement in the form of a
5 motion, no later than sixty days after the issuance of
6 the commission's final decision and order for the
7 proceeding; provided that a proper filing of a final
8 request for reimbursement shall include a detailed
9 accounting of the reasonable costs incurred and a
10 demonstration of the intervenor's substantial
11 contribution to the proceeding; and

12 (3) Within sixty days of filing the notice of intent, an
13 estimated budget of anticipated costs to enable early
14 assessment of reasonableness and avoid disputes over
15 costs recovery.

16 (b) Any opposing party may file and serve counter
17 affidavits and a written statement of reasons in opposition to
18 the motion in compliance with this chapter or rules adopted by
19 the commission.

20 (c) The commission shall issue its determination on
21 whether to grant, partially grant, or deny the motion no later



1 than sixty days after the proper filing of the motion. The
2 commission may authorize interim payments of up to five per cent
3 of estimated reasonable costs upon showing of financial hardship
4 and likelihood of substantial contribution, with final
5 reconciliation upon completion of the proceeding. No
6 reimbursement awarded shall exceed reasonable costs that were
7 necessary for the intervenor's substantial contribution to the
8 commission proceeding.

9 (d) All reimbursement of reasonable costs shall be funded
10 through assessments imposed by the commission on the public
11 utilities whose rates, charges, or operations are the subject of
12 the commission proceeding, in proportion to each utility's
13 interest in the proceeding. Any amounts assessed under this
14 section shall be recoverable by the assessed utilities as
15 regulatory commission expenses, subject to commission approval.

16 (e) The commission shall not impose arbitrary caps on
17 total reimbursements available; provided that the commission may
18 review the reasonableness of individual cost items to ensure
19 that they are necessary for substantial contribution. The
20 commission shall apply the same standards of reasonableness to



1 intervenor costs as it applies to utility counsel and expert
2 witness costs in commission proceedings.

3 (f) All motions for intervenor compensation, supporting
4 documentation, and decisions of the commission on compensation
5 requests shall be publicly available on the commission's website
6 within ten business days of filing or issuance.

7 **§269- Rules.** No later than January 1, 2027, the
8 commission shall adopt rules pursuant to chapter 91 necessary to
9 carry out the purposes of this part. The rules shall, at a
10 minimum, specify the qualification criteria, develop specific
11 reimbursement procedures, and establish standards for
12 determining substantial contribution. Standards for determining
13 whether an intervenor has made a substantial contribution to a
14 commission proceeding may include but are not limited to:

- 15 (1) Presentation of evidence or arguments not otherwise
16 adequately presented by other parties;
- 17 (2) Introduction of expert testimony materially assisting
18 the commission's analysis;
- 19 (3) Presentation of legal arguments clarifying significant
20 issues before the commission;



- 1 (4) Advocacy that materially influences the commission's
- 2 decision;
- 3 (5) Representation of constituencies whose interests would
- 4 otherwise be underrepresented in the proceeding;
- 5 (6) Development or presentation of technical models,
- 6 analyses, or methodologies that inform commission
- 7 decision-making;
- 8 (7) Effective cross-examination of witnesses that
- 9 clarifies critical issues;
- 10 (8) Facilitation of settlement negotiations or consensus-
- 11 building among parties; and
- 12 (9) Participation in working groups or technical
- 13 conferences that advances proceeding objectives.

14 The standards of substantial contribution shall be

15 construed liberally to encourage public interest participation

16 and shall not be applied to deny compensation solely because the

17 commission did not adopt an intervenor's recommendation;

18 provided that the intervenor's participation materially informed

19 the commission's deliberations.

20 **§269- Annual report.** The commission shall submit a

21 report of its findings and recommendations on the operations of



1 the intervenor compensation program for the previous fiscal
2 year, including any proposed legislation, to the legislature no
3 later than twenty days prior to the convening of each regular
4 session. The annual report shall detail at a minimum:

5 (1) The number of reimbursement requests and awards made;

6 (2) The total amount of reimbursements awarded and funding
7 sources;

8 (3) The types of commission proceedings involving
9 intervenor reimbursements;

10 (4) The assessment of the program's effectiveness,
11 including analysis of whether program participation is
12 achieving balanced representation across consumer,
13 environmental, and community interests; and evaluation
14 of consumer benefits resulting from intervenor
15 participation, including estimated ratepayer savings,
16 renewable energy advancement, and improved utility
17 performance;

18 (5) Names of persons receiving compensation and their
19 areas of representation;

20 (6) Average time from request submission to payment;



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- 1 (7) Examples of substantial contributions made by
2 compensated intervenors and resulting commission
3 decisions;
4 (8) Comparison of intervenor compensation costs to total
5 regulatory expenses and utility revenues at issue in
6 commission proceedings; and
7 (9) Identification of barriers to participation and
8 recommendations for program improvements."

9 SECTION 4. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$500,000 or so much
11 thereof as may be necessary for fiscal year 2026-2027 for the
12 establishment and initial administration of the intervenor
13 compensation program by the public utilities commission,
14 including development of rules, establish of procedures,
15 outreach to potential participants, and administrative support.

16 The sum appropriated shall be expended by the public
17 utilities commission for the purposes of this Act.

18 SECTION 5. This Act shall take effect on July 1, 2026.

19

INTRODUCED BY: *Mike Gabbard*



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Report Title:

PUC; Intervenor Compensation Program; Establishment; Reports; Appropriation

Description:

Requires the Public Utilities Commission to establish an Intervenor Compensation Program to reimburse qualified intervenors participating in commission proceedings for reasonable costs incurred for making substantial contributions. Requires reports to the Legislature. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

