

STAND. COM. REP. NO. 2790

Honolulu, Hawaii

**MAR 05 2025**

RE: S.B. No. 3326  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3326, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to support efficiency, innovation, transparency, and competition in the electric energy generation sector while protecting ratepayers and ensuring reliable, affordable, and sustainable electric services.

More specifically, this measure requires the Public Utilities Commission to:

- (1) Adopt rules requiring that the ownership and control of electric generation services remain separate from transmission and distribution services in the State; and
- (2) Submit annual reports to the Legislature of its findings and recommendations until the final rules are adopted.

Your Committee received written comments in support of this measure from the Hawaii Regional Council of Carpenters.

Your Committee received written comments in opposition to this measure from Hawaiian Electric, IBEW Local 1260, and one individual.



Your Committee received written comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Public Utilities Commission, Retail Merchants of Hawaii, Distributed Grid, and one individual.

Your Committee notes that electricity costs in Hawaii are among the highest in the nation. In other states, separating ownership and control of electric generation services from transmission and distribution services has allowed for increased and focused investment in electric transmission and distribution, while encouraging competition in the electric generation sector. In Hawaii, increased investment and competition could accelerate integration of renewable energy sources, expand interconnection capacity, and support reliable, efficient, and affordable electric services for consumers. Your Committee recognizes, however, that Hawaii faces unique challenges in providing reliable, efficient, and affordable electric services. Your Committee finds that further study of the separation of ownership and control of electric energy generation services from transmission and distribution services is merited to determine if the separation of these services would be desirable.

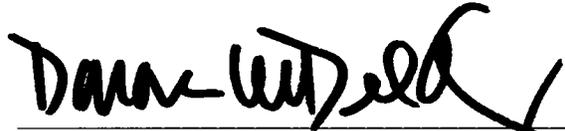
Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Requiring the Public Utilities Commission to conduct a study on the desirability of separating ownership and control of electric energy generation services from transmission and distribution services;
- (3) Requiring the Public Utilities Commission to submit to the Legislature an initial report on the study prior to the 2027 Regular Session;
- (4) Requiring the Public Utilities Commission to submit the final report prior to the 2028 Regular Session; and
- (5) Authorizing, rather than requiring, the Public Utilities Commission to adopt rules to effect the separation of electric energy generation services from transmission and distribution services.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3326, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3326, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



