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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Consumer Protection & Commerce
Wednesday, April 22, 2026
2:00 p.m.
Via Videoconference**

**On the following measure:
S.C.R. 172, S.D. 1, H.D. 1, REQUESTING THE PUBLIC UTILITIES COMMISSION TO
CONDUCT A COMPREHENSIVE ANALYSIS ON THE BEST PATHS TO
MAXIMIZE COST REDUCTION AND MINIMIZE FINANCIAL RISK TO HAWAII
RESIDENTS WHILE MEETING STATE GOALS**

Chair Matayoshi and Members of the Committee:

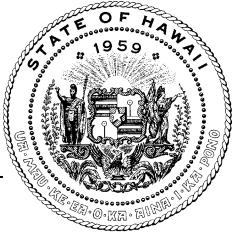
My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department offers comments on this resolution.

The purpose of this resolution is to request the Public Utilities Commission (Commission) to conduct an objective, independent analysis and evaluation on the best paths to maximize cost reduction and minimize financial risk to Hawaii residents for energy while meeting the State's established goals. The resolution requests that the Commission contract and engage with experts, as may be appropriate, to develop independent and objective analyses to ensure that the paths are thoroughly evaluated, and also identifies specific criteria and requirements for the analyses being requested. In addition, the resolution requests that the Commission submit a preliminary report of its

findings and recommendations, including any proposed legislation, no later than 30 days before the convening of the 2027 Legislative Session, and a final report of its findings and recommendations, including any proposed legislation, no later than 30 days before the 2028 Legislative Session.

The Department recognizes that the State may be at a pivotal juncture as it strives to meet its established energy goals. Accordingly, the Department understands the need for an objective, independent analysis and evaluation on the best paths to maximize cost reduction and minimize financial risk for residents for energy while meeting the State's established goals. However, the Department notes that the Commission also has many competing priorities and it is not clear if the Commission has the necessary funds or resources available to conduct and coordinate the comprehensive analysis requested in the resolution. The Department recommends ensuring that the Commission has sufficient resources available to undertake this additional work taking into consideration the amount of existing work currently before the Commission.

Thank you for the opportunity to testify on this resolution.



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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday, April 22, 2026
2:00 PM
State Capitol, Conference Room 430 and Videoconference

Providing Comments on
SCR 172, SD1, HD1

**REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONDUCT A
COMPREHENSIVE ANALYSIS ON THE BEST PATHS TO MAXIMIZE COST
REDUCTION AND MINIMIZE FINANCIAL RISK TO HAWAII RESIDENTS WHILE
MEETING STATE GOALS.**

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on Senate Concurrent Resolution No. 172, SD1, HD1 Requesting the Public Utilities Commission to Conduct a Comprehensive Analysis on the Best Paths to Maximize Cost Reduction and Minimize Financial Risk to Hawai'i Residents While Meeting State Goals.

HSEO continues to pursue and support credible analysis on the best paths to make electricity more affordable and minimize financial risk to Hawai'i residents while meeting state renewable portfolio and decarbonization statutory objectives. HSEO also strongly objects to the inaccurate and misleading commentary in the preamble regarding the Alternative Fuels, Repowering, and Energy Transition Study on which this measure is based.

HSEO and its lead contractor, HDR, overseeing the Alternative Fuels, Repowering, and Energy Transition Study ("Study"), confirm spreadsheet errors but also note that estimates on the impact of these errors reported by the Energy and Environmental Protection Committee and present in the preamble of this measure are uninformed and inaccurate, with positive net present values in all scenarios in the updated Study that will be made available to the public via HSEO's website in the next week. In short, any errors in the Study have never had a material impact on the published Conclusions and Next Steps of the Study as HSEO has long maintained.

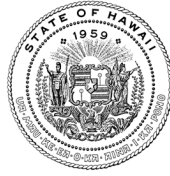
Given that the work contemplated by this measure is similar to the work prescribed in HCR 202 / HR 192, HSEO recommends that if the Legislature decides to pass this resolution, it minimizes unnecessary and redundant administrative burden by consolidating the work prescribed in these resolutions.

HSEO defers to the PUC on any independent choices of which analysis it chooses to internally pursue in this regard.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



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Testimony of the Public Utilities Commission

To the
House Committee on
Consumer Protection & Commerce

Wednesday, April 22, 2026
2:00 p.m.

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee:

Measure: S.C.R. 172, S.D.1, H.D.1
Title: REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONDUCT A COMPREHENSIVE ANALYSIS ON THE BEST PATHS TO MAXIMIZE COST REDUCTION AND MINIMIZE FINANCIAL RISK TO HAWAII RESIDENTS WHILE MEETING STATE GOALS.

Position:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

Comments:

The Commission supports the intent of this measure requesting the Commission to conduct an objective, independent analysis and evaluation on the best paths to maximize cost reduction and minimize financial risk to Hawaii residents, while meeting the State's established energy goals.

The Commission recognizes that this measure also requests that the comprehensive energy pathway evaluation includes an independent and objective analysis, and that the Commission contract and engage with experts as appropriate to develop the evaluation. The Commission stands ready to participate and support this evaluation effort.

Regarding the extent of the requisite report, the Commission respectfully requests that the Legislature consider an amendment for a "status report" in lieu of a comprehensive "preliminary report" (Page 4, Line 6) be submitted prior to the 2027 Legislative Session. Due to the short timeframe, less than 3-months, to accomplish Commission activities which include but are not limited to the following: opening a docket, conducting a procurement to hire consultants, stakeholder engagement, and finalizing a preliminary

report for the 2027 Legislative Session, a preliminary report on findings and recommendations on a very in-depth study will not provide a comprehensive report envisioned by the intent of this measure. The Commission does, however, deem it a reasonable timeframe to provide a status report prior to the 2027 Legislative Session and submit the comprehensive final report of findings and recommendations prior to the 2028 Legislative Session.

Thank you for the opportunity to testify on this resolution.



REPRESENTATIVE SCOT Z. MATAYOSHI, CHAIR
REPRESENTATIVE TINA NAKADA GRANDINETTI, VICE CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY IN SUPPORT OF SENATE CONCURRENT RESOLUTION 172, SD 1, HD1

Wednesday, April 22, 2026, 2:00 p.m.
Conference Room 430, State Capitol
415 South Beretania Street, Honolulu, Hawai'i

Dear Chair Matayoshi, Vice Chair Grandinetti, and Committee Members:

Earthjustice offers this testimony in support of Senate Concurrent Resolution 172, SD1, HD1 requesting the Public Utilities Commission to conduct a comprehensive analysis on the best paths to maximize cost reduction and minimize financial risk to Hawai'i residents while meeting state energy goals and directives. Over the next several years, the PUC will be making critical decisions about Hawai'i's energy future that could determine the rates local families and businesses will pay for generations to come. It's a high-stakes moment in history that could end up saving or costing billions for Hawai'i's people and economy. This resolution, if fulfilled, will ensure that the state has the most accurate, objective, and reliable information before making these decisions about Hawai'i's energy future.

We support the latest HD1 version that incorporates amendments further clarifying the requested analyses and the open and transparent process for developing them to help ensure the analyses can productively fulfill their purpose. Mahalo for the opportunity to testify. Please do not hesitate to let us know if you have any questions.

Isaac H. Moriwake, Esq.
Managing Attorney
Earthjustice, Mid-Pacific Office



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HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

April 22, 2026

2:00 PM

Conference Room 430

In SUPPORT of SCR172 SD1 HD1: REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONDUCT A COMPREHENSIVE ANALYSIS ON THE BEST PATHS TO MAXIMIZE COST REDUCTION AND MINIMIZE FINANCIAL RISK TO HAWAII RESIDENTS WHILE MEETING STATE GOALS.

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

On behalf of our over 20,000 members and supporters, the Sierra Club of Hawai'i **SUPPORTS** SCR172 SD1 HD1, which recognizes the need for a much more robust, objective, and transparent examination of liquefied natural gas (LNG) as a future energy source, before committing Hawai'i and our residents to tremendous potential liabilities and a likely indefinite dependence on costly imported fossil fuels.

In January of last year, the Hawai'i State Energy Office (HSEO) released a "table top" study that suggested LNG as a future fuel source to meet our energy demands thru 2045. Despite numerous assumptions that would have significantly changed the study's conclusions, including assumptions identified in the study itself – and even after HSEO admitted a spreadsheet error that omitted \$1 billion in unaccounted for costs¹ – HSEO and the state administration have continued to advocate for LNG and for JERA, a Japanese methane supplier. This includes HSEO releasing statements attacking the credibility of the University of Hawai'i expert who identified the \$1 billion error in its study;² the HSEO director's recent attempt to intervene in a years-long Public Utilities Commission docket, citing a proposal from JERA as a reason to reopen the docket at

¹ Henry Curtis, *Hawai'i State Energy Office's LNG Study Might be in Deep Trouble*, ILILANI MEDIA, March 12, 2026, available at <http://www.ililani.media/2026/03/hawaii-state-energy-offices-lng-study.html>; Chloe Jones, *Spreadsheet error inflated benefits of LNG by up to \$1.2 billion, expert says*, HONOLULU STAR-ADVERTISER, March 19, 2026, available at <https://www.staradvertiser.com/2026/03/19/hawaii-news/spreadsheet-error-inflated-benefits-of-lng-by-up-to-1-2-billion-expert-says/>.

² Hawai'i State Energy Office and Office of the Governor, Instagram Post, March 12, 2026, https://www.instagram.com/p/DV0F9P_FqsL/ (last visited April 21, 2026) ("We verified that the cost of natural gas was fully incorporated in our analyses. Dr. Fripp may have misunderstood the methodology we used in the PLEXOS model and lifecycle cost analysis. The fuel cost is a necessary input in the PLEXOS model.").



the last minute;³ and planned energy panels featuring JERA and HSEO representatives, including at least one panel sponsored by JERA itself.⁴

Clearly, there is a strong basis for growing concerns that the LNG recommendation still being pursued by the current state administration may need a much more robust, transparent, and objective assessment by an appropriate third party. This resolution would help to address this need.

To be clear, any proposal to bring LNG to Hawai'i's shores would place significant financial risks on our residents. Hawai'i has no current LNG infrastructure, meaning that an estimated \$2 billion capital investment would be needed just to begin implementing the HSEO proposal to adopt LNG as our next fossil fuel energy source. Even if there were no \$1 billion math error, a capital cost overrun like we've seen time and again with public-private capital improvement projects would result in a net loss of hundreds of millions or a billion dollars or more, even if highly volatile LNG costs remain stable per the energy office's optimistic projections.⁵ Unanticipated maintenance and repair costs; a hurricane, tsunami, earthquake, fire, or human error; and geopolitical instabilities and other supply issues could increase this deficit exponentially. An inability to reuse aged LNG infrastructure for an as-of-yet unidentified future alternative fuel would also result in up to half a billion dollars in additional costs. All of this risk and liability would likely be placed on HECO ratepayers, many of whom already struggle to pay their electrical bills, and may force us to continue relying on JERA and imported fuels for decades beyond our 2045 renewable energy portfolio deadline.

Moreover, the true costs of the current proposal to bring LNG to Hawai'i would be immeasurable, and existential. Climate experts agree that rapidly reducing our use of methane – a greenhouse gas 80 times worse than carbon dioxide – is critical to slowing global warming, and buying us desperately needed time before the climate crisis spirals out of humankind's control. Adopting LNG as a fossil fuel, with no realistic plan to off-

³ Andrew Gomes, *'Backroom meddling' alleged in power plant case*, HONOLULU STAR-ADVERTISER, March 22, 2026, available at <https://www.staradvertiser.com/2026/03/22/hawaii-news/backroom-deal-meddling-alleged-in-power-plant-case/>.

⁴ Henry Curtis, *JERA Hawaii Speaking at Two Hawai'i Events Next Month*, ILILANI MEDIA, April 21, 2026, available at <http://www.ililani.media/2026/04/jera-hawaii-speaking-at-two-events-next.html>.

⁵ For example, the actual costs of the Honolulu Rail project more than doubled, from a projected \$5.2B to \$12B, with the project still incomplete. The Ala Wai Flood Control Project projected costs increased over five times, from an anticipated \$173M to \$1B. The new prison being planned for O'ahu was originally anticipated to cost between \$430M - \$670M; current projections place the cost at \$1B. The Kūlaniko'i High School construction costs went from an anticipated \$120M to \$245. These are just a handful of examples of major cost overruns that could result in a liability to ratepayers of hundreds of millions to billions of dollars.



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ramp to a renewable alternative, would only support an industry that could make or break our future generations' chances of survival. Moreover, a signed agreement between Governor Green and Japanese methane corporation JERA proposes using Hawai'i to encourage countries throughout the Pacific to do the same.⁶

Given the stakes at play, and the risks and liabilities we may be assuming with LNG – including liabilities that our children and future generations may end up paying for – we need much more objectivity, transparency, and accountability in the current analyses and conversations surrounding LNG and Hawai'i's energy future. This resolution is one step towards this end.

Accordingly, we urge the Committee to **PASS** SCR172 SD1 HD1. Mahalo nui for the opportunity to testify.

⁶ As envisioned in the "Strategic Partnering Agreement" between the Governor and methane giant JERA, Hawai'i would provide a "curriculum" for energy development for other Pacific nations, with JERA providing subject matter "expertise." This effort along with others in the agreement would be led by the Hawai'i State Energy Office, JERA, and the "industry."