

JAN 25 2012

A BILL FOR AN ACT

RELATING TO INTERISLAND ELECTRIC TRANSMISSION CABLE SYSTEMS.

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

1 SECTION 1. The legislature has found that attaining energy
2 independence from imported fossil fuels is a long-standing
3 objective of the State.

4 Interconnecting the islands via high-voltage undersea
5 electric transmission cable systems would provide the islands
6 with increased energy security and system efficiencies and
7 enable the islands to provide each other with backup power.

8 Interconnection would also enable Hawaii to make better use
9 of its abundant natural, renewable energy resources such as
10 wind, solar, and geothermal. An inter-island undersea cable
11 system has been identified as the most effective and efficient
12 means to introduce the variety of utility scale renewable energy
13 available throughout the Hawaiian islands into a stable grid
14 environment; to stabilize and equalize rates in all areas served
15 by the cable; to increase Hawaii's energy independence; to
16 support "increased energy self-sufficiency where the ratio of
17 indigenous to imported energy use is increased" and "greater
18 energy security and diversification in the face of threats to

1 Hawaii's energy supplies and systems"; and to support the
2 achievement of the renewable portfolio standards established in
3 section 269-92, Hawaii Revised Statutes, which requires twenty-
4 five per cent of Hawaii's net electricity sales to come from
5 renewable sources by 2020, increasing to forty per cent by 2030.

6 However, none of the electric utility systems on any of the
7 Hawaiian islands is interconnected with electric utility systems
8 on any other island.

9 The purpose of this Act is to establish the regulatory
10 structure under which interisland undersea transmission cables
11 can be developed, financed, and constructed on commercially
12 reasonable terms, such as those upon which successful cable
13 projects have been undertaken in several locations around the
14 world.

15 It also amends other sections of the Hawaii Revised
16 Statutes to reflect the existence of a separate and distinct
17 entity transmitting power to and receiving revenue from an
18 existing electric utility, neither owned nor controlled by that
19 electric utility.

20 SECTION 2. Chapter 239, Hawaii Revised Statutes, is
21 amended by adding a new section to be appropriately designated
22 and to read as follows:

1 "§239- Cable surcharge amounts exempt. Amounts received
2 in the form of a cable surcharge by an electric utility company
3 acting on behalf of a certified cable company under section
4 269-D shall not be deemed gross income of that electric utility
5 company for purposes of this chapter; provided that any amounts
6 retained by that electric utility company for collection or
7 other costs shall not be included in this exemption."

8 SECTION 3. Chapter 240, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§240- Cable surcharge amounts exempt. Amounts received
12 in the form of a cable surcharge by an electric utility company
13 acting on behalf of an affected certified cable company under
14 section 269-D shall not be deemed gross receipts for that
15 electric utility company for purposes of this chapter; provided
16 that any amounts retained by that electric utility company for
17 collection or other costs shall not be included in this
18 exemption."

19 SECTION 4. Chapter 269, Hawaii Revised Statutes, is
20 amended by adding a new part to be appropriately designated and
21 to read as follows:

22 **"PART . INTERISLAND TRANSMISSION SYSTEM**

1 **§269-A Definitions.** As used in this part:

2 "Cable acquisition cost" means the electric utility
3 company's costs, including reasonable transaction costs, to
4 acquire a high-voltage electric transmission cable system
5 pursuant to a turnkey cable contract or a cable purchase
6 contract.

7 "Cable company" means any person or persons, company,
8 corporation, or entity that is selected through a request for
9 proposals, or other process approved by the commission, to be a
10 certified cable company applicant.

11 "Cable purchase contract" means a contract to purchase a
12 high-voltage electric transmission cable system at or after it
13 achieves commercial operations.

14 "Certified cable company" means any person or persons,
15 company, corporation, or entity who owns or controls a
16 high-voltage electric transmission cable system and who receives
17 a certificate of public convenience and necessity from the
18 commission pursuant to section 269-B.

19 "Commercial operations" means the period after the high-
20 voltage electric transmission cable system:

1 (1) Passes acceptance tests approved by the commission, as
2 determined by a qualified independent engineer
3 approved by the commission; and

4 (2) Meets other criteria the commission determines to be
5 reasonable.

6 "Commercial operations date" means the date upon which the
7 high-voltage electric transmission cable system begins
8 commercial operations, as determined by the commission.

9 "Commission" means the public utilities commission.

10 "Cost-effective" has the same meaning as in section 269-91.

11 "Electric utility company" means a public utility as
12 defined in section 269-1, for the production, conveyance,
13 transmission, delivery, or furnishing of electric power.

14 "Electric utility system" means the electric system owned
15 and operated by an electric utility company, including any
16 non-utility owned facilities that are interconnected to the
17 system, consisting of power plants, transmission and
18 distribution lines, and related equipment for the production and
19 delivery of electric power to the public.

20 "Energy resources coordinator" or "coordinator" means the
21 director of business, economic development, and tourism.

1 "High-voltage electric transmission cable system" means one
2 hundred twenty kilovolts or greater of alternating current or
3 direct current transmission cables constructed undersea,
4 including connected transmission cables or lines installed on
5 land that connect the electric utility systems on two or more
6 islands or allow for the transmission of power from one or more
7 energy generation facilities to the electric utility system
8 located on another island of the State; alternating current
9 substation or alternating current-direct current converter
10 station; on-island transmission infrastructure if required;
11 fiber optic communication cables; and other appurtenant
12 facilities.

13 "On-island transmission infrastructure" means the
14 modifications and additions to the existing alternating current
15 transmission grid on an island and other electric utility system
16 modifications needed to reliably connect a high-voltage electric
17 transmission cable system to an electric utility system, and to
18 reliably accept power transmitted via the high-voltage electric
19 transmission cable system connecting two or more islands of the
20 State's electric utility systems.

21 "Power purchase agreement" means an agreement between an
22 electric utility company and the developer of an energy

S.B. NO. 2785

1 generation facility to sell the power generated by the facility
2 to the electric utility company.

3 "Project-on-project financing risk" means the risk involved
4 when mutually dependent projects, whose risk of completion, and
5 therefore, financing, are dependent on each other.

6 "Renewable electricity" means electrical energy generated
7 using renewable energy as the source.

8 "Renewable energy" has the same meaning as in section
9 269-91.

10 "Renewable energy generation facility" means a facility
11 generating electrical energy using renewable energy as the
12 primary source.

13 "Renewable portfolio standard" has the same meaning as in
14 section 269-91.

15 "Request for proposals" means a request for proposals
16 issued pursuant to a competitive bidding process authorized,
17 reviewed, and approved by the commission, and developed and
18 conducted by the electric utility company or companies to which
19 the capacity of a high-voltage electric transmission cable
20 system will be made available, with input and assistance from
21 the state energy resources coordinator, to select a cable
22 company.

1 "Turnkey cable contract" means a contract entered into
2 pursuant to a request for proposal under which a cable company
3 designs, builds, and transfers a high-voltage electric
4 transmission cable system to an electric utility company upon
5 commencement of commercial operations.

6 **§269-B Certification.** (a) Prior to installing a
7 high-voltage electric transmission cable system, a cable company
8 shall be selected through a request for proposals, or other
9 process approved by the commission, and issued a certificate of
10 public convenience and necessity by the commission pursuant to
11 section 269-7.5. A certified cable company shall be subject to
12 regulation by the commission and defined as a "public utility"
13 under section 269-1, notwithstanding the exceptions in paragraph
14 (2)(G) of the definition of "public utility" under section
15 269-1.

16 (b) The electric utility company and the energy resources
17 coordinator, or the energy resources coordinator's designee,
18 shall develop the request for proposals, and the energy
19 resources coordinator or the energy resources coordinator's
20 designee shall be a member of the selection committee that will
21 review and evaluate the proposals. The electric utility company

1 shall suspend or terminate the request for proposals at the
2 discretion of the commission.

3 (c) Notwithstanding any provisions in section 269-7.5 to
4 the contrary:

5 (1) The commission shall approve, disapprove, or approve
6 subject to certain conditions, an application for a
7 certificate of public convenience and necessity for a
8 high-voltage electric transmission cable system, and
9 shall issue a final order within one hundred eighty
10 days after the application is filed, provided that the
11 commission may extend the timeline as necessary;

12 (2) In determining whether the cable company is
13 financially fit, the commission may allow for the use
14 of commercially reasonable non-recourse project
15 financing for the high-voltage electric transmission
16 cable system;

17 (3) In determining whether the proposed transmission
18 capacity service is or will be required by the present
19 or future public convenience and necessity, the
20 commission shall determine whether the high-voltage
21 electric transmission cable system would be a
22 cost-effective means of:

- 1 (A) Interconnecting two or more electric utility
2 systems;
- 3 (B) Helping one or more electric utility companies
4 meet the applicable renewable portfolio standard;
5 or
- 6 (C) Achieving other considerations the commission may
7 deem appropriate;
- 8 (4) If the primary source or sources of the renewable
9 electricity that will be transmitted to an electric
10 utility company or companies using the high-voltage
11 electric transmission cable system will be provided
12 pursuant to a power purchase agreement or agreements
13 between the electric utility company or companies and
14 an owner or owners of a new renewable energy
15 generation facility or facilities, in reviewing and
16 approving the application for a certificate of public
17 convenience and necessity, the commission shall, among
18 other factors, take into consideration:
- 19 (A) The status of the power purchase agreement or
20 agreements;
- 21 (B) The extent to which the project-on-project
22 financing risk of the high-voltage electric

1 transmission cable system and the associated
2 renewable energy generation facilities is
3 materially reduced through agreements between the
4 certified cable company and the owner or owners
5 of the renewable energy generation facilities
6 holding the power purchase agreement or
7 agreements, or through common ownership
8 arrangements; and

9 (C) The extent to which the certified cable company
10 assumes financial responsibility for the
11 high-voltage electric transmission cable system
12 until both the cable system and the new
13 generation facility or facilities have achieved
14 commercial operations;

15 (5) In the certification process, the commission shall
16 review and determine ratemaking principles appropriate
17 and applicable to the high-voltage electric
18 transmission cable system during commercial
19 operations. The ratemaking principles shall be used
20 in determining the certified cable company's revenue
21 requirement that is used to determine its transmission
22 capacity charges, and may be used to fix the capital

1 investment costs for the high-voltage electric
2 transmission cable system upon which the certified
3 cable company will be allowed to earn an authorized
4 rate of return and the operating costs that may be
5 included in the certified cable company's revenue
6 requirement. Any applicable land costs shall be
7 included in the determination of the certified cable
8 company's revenue requirement;

9 (6) In determining the authorized rate of return that will
10 apply to a certified cable company, the commission may
11 consider the risks assumed by the certified cable
12 company related to or resulting from the planning,
13 financing, construction, and operation of the high-
14 voltage electric transmission cable system, including
15 other factors deemed relevant and appropriate by the
16 commission, such as the terms and conditions of the
17 transmission tariff as may be approved by the
18 commission; and

19 (7) Prior to approving the application for a certificate
20 of public convenience and necessity, the commission
21 shall hold a public hearing on each island to be
22 connected by the high-voltage electric transmission

1 cable system to obtain input from the affected
2 communities about the high-voltage electric
3 transmission cable system.

4 **§269-C Transmission tariff.** The commission shall, by
5 order, approve, disapprove, or approve subject to certain
6 conditions, the tariff of the certified cable company pursuant
7 to which the certified cable company shall make the capacity of
8 its high-voltage electric transmission cable system available to
9 the electric utility company or companies. The tariff shall be
10 consistent with the tariff provisions provided in the request
11 for proposals, unless otherwise ordered by the commission. The
12 tariff shall specify the terms and conditions under which the
13 certified cable company will be entitled to receive revenues
14 collected through the cable surcharge, established pursuant to
15 section 269-D. The certified cable company may submit its
16 proposed tariff for approval prior to the expected commercial
17 operations date, and the commission shall take final action on
18 the proposed tariff within one hundred twenty days after
19 submittal of the proposed tariff with supporting documentation
20 as may be required by the commission; provided that the
21 commission may extend the timeline as necessary.

1 **\$269-D Cable surcharge.** (a) The commission shall
2 establish a cable surcharge to allow recovery of the
3 high-voltage electric transmission cable system costs designated
4 for recovery according to the ratemaking principles pursuant to
5 section 269-B.

6 (b) Pursuant to the transmission tariff, the commission
7 shall, by order, designate the electric utility company or
8 companies to which the capacity of the high-voltage electric
9 transmission cable system shall be made available as the agent
10 of the certified cable company to collect the cable surcharge
11 approved by the commission. The electric utility company or
12 companies collecting the cable surcharge for the benefit of the
13 certified cable company shall have no right, title, or interest
14 in the moneys so collected. The commission shall approve a fee,
15 to be collected by the electric utility company or companies
16 concurrently with the cable surcharge, for acting as the
17 collection agent for the certified cable company.

18 (c) Notwithstanding any requirements to the contrary, a
19 high-voltage electric transmission cable system may be deemed
20 "used or useful for public utility purposes" upon commencing
21 commercial operations, subject to the commission's determination
22 and approval.

1 **§269-E Electric utility company acquisition of cable**

2 **system.** (a) The commission may approve an electric utility
3 company's acquisition of a high-voltage electric transmission
4 cable system pursuant to a commission-approved turnkey cable
5 contract or cable purchase contract.

6 (b) In the case of a turnkey cable contract, the
7 commission shall review and approve, disapprove, or approve
8 subject to certain conditions, the filing by the electric
9 utility company to acquire the turnkey project.

10 (c) In the case of a cable purchase contract, the
11 commission shall review and approve, disapprove, or approve
12 subject to certain conditions, the option to purchase in the
13 same proceeding in which the commission reviews and approves a
14 certificate of public convenience and necessity for a cable
15 company providing the option to purchase or a power purchase
16 agreement containing the option to purchase, and shall review
17 and approve, disapprove, or approve subject to certain
18 conditions, the cable purchase contract resulting from exercise
19 of the option to purchase filed by the electric utility company
20 proposing to acquire the high-voltage electric transmission
21 cable system.

1 **§269-F Recovery of electric utility company costs. (a)**

2 An electric utility company may recover its revenue requirement,
3 as approved by the commission, resulting from the costs that it
4 prudently incurs in acquiring a high-voltage electric
5 transmission cable system throughout the commercial operations
6 period after it is acquired; provided that the acquisition was
7 approved by the commission.

8 (b) An electric utility company shall be entitled to
9 recover, through an automatic rate adjustment clause, its
10 revenue requirement resulting from the capital costs that it
11 prudently incurs for on-island transmission infrastructure;
12 provided that the commission has approved the utility's
13 commitment of capital expenditure costs for the project.

14 (c) To provide for timely recovery of the revenue
15 requirement, the commission shall establish a separate automatic
16 rate adjustment clause for that purpose, or modify an existing
17 automatic rate adjustment clause. The use of the automatic rate
18 adjustment clause to recover the revenue requirement shall be
19 allowed to continue until the revenue requirement is
20 incorporated in rates in an electric utility company's rate
21 case.

(d) The electric utility company's revenue requirement shall include:

(1) The commission-approved rate of return, as set in the electric utility company's last rate case, on the utility's net investment in the high-voltage electric transmission cable system from the acquisition date of the high-voltage electric transmission cable system, and in the on-island transmission infrastructure from the date the on-island transmission infrastructure is completed and available for service;

(2) Depreciation; and

(3) Revenue taxes and other relevant costs as approved by the commission.

(e) The electric utility company's net investment includes the cable acquisition cost in the case of the high-voltage electric transmission cable system and costs incurred by the electric utility for planning, permitting, and constructing the on-island transmission infrastructure, including an allowance for funds used during construction where the utility finances the planning, permitting, and construction costs, less offsets such as accumulated depreciation and associated unamortized deferred income taxes.

1 (f) The on-island transmission infrastructure shall be
2 available for service before the commercial operations date of
3 the high-voltage electric transmission cable system.

4 Notwithstanding any other provision in this chapter to the
5 contrary, at the time the commission approves the electric
6 utility company's commitment of capital expenditure costs for
7 the project, the commission may either:

8 (1) Allow the electric utility company to recover its
9 approved revenue requirement resulting from the
10 capital costs that it prudently incurs for on-island
11 infrastructure at the time that the infrastructure is
12 available for service; or

13 (2) Allow the company to continue to accrue an allowance
14 for funds used during construction on such prudently
15 incurred capital costs until the commercial operations
16 date for the high-voltage electric transmission
17 system.

18 (g) If the electric utility company elects not to complete
19 the on-island transmission infrastructure, and the commission
20 approves this election, or the electric utility company is
21 precluded from completing construction of the on-island
22 transmission infrastructure, the electric utility company shall

1 be allowed to recover reasonable costs determined by the
2 commission to have been prudently incurred by the electric
3 utility company with respect to the on-island transmission
4 infrastructure. The electric utility company shall be allowed
5 by the commission to recover the reasonable costs through the
6 cable surcharge over a period equal to the period during which
7 the costs were incurred or five years, whichever is greater."

8 SECTION 5. Section 235-7, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) There shall be excluded from gross income, adjusted
11 gross income, and taxable income:

12 (1) Income not subject to taxation by the State under the
13 Constitution and laws of the United States;

14 (2) Rights, benefits, and other income exempted from
15 taxation by section 88-91, having to do with the state
16 retirement system, and the rights, benefits, and other
17 income, comparable to the rights, benefits, and other
18 income exempted by section 88-91, under any other
19 public retirement system;

20 (3) Any compensation received in the form of a pension for
21 past services;

S.B. NO. 2785

- 1 (4) Compensation paid to a patient affected with Hansen's
2 disease employed by the State or the United States in
3 any hospital, settlement, or place for the treatment
4 of Hansen's disease;
- 5 (5) Except as otherwise expressly provided, payments made
6 by the United States or this State, under an act of
7 Congress or a law of this State, which by express
8 provision or administrative regulation or
9 interpretation are exempt from both the normal and
10 surtaxes of the United States, even though not so
11 exempted by the Internal Revenue Code itself;
- 12 (6) Any income expressly exempted or excluded from the
13 measure of the tax imposed by this chapter by any
14 other law of the State, it being the intent of this
15 chapter not to repeal or supersede any express
16 exemption or exclusion;
- 17 (7) Income received by each member of the reserve
18 components of the Army, Navy, Air Force, Marine Corps,
19 or Coast Guard of the United States of America, and
20 the Hawaii national guard as compensation for
21 performance of duty, equivalent to pay received for

S.B. NO. 2785

1 forty-eight drills (equivalent of twelve weekends) and
2 fifteen days of annual duty, at an:

3 (A) E-1 pay grade after eight years of service;
4 provided that this subparagraph shall apply to
5 taxable years beginning after December 31, 2004;

6 (B) E-2 pay grade after eight years of service;
7 provided that this subparagraph shall apply to
8 taxable years beginning after December 31, 2005;

9 (C) E-3 pay grade after eight years of service;
10 provided that this subparagraph shall apply to
11 taxable years beginning after December 31, 2006;

12 (D) E-4 pay grade after eight years of service;
13 provided that this subparagraph shall apply to
14 taxable years beginning after December 31, 2007;

15 and

16 (E) E-5 pay grade after eight years of service;
17 provided that this subparagraph shall apply to
18 taxable years beginning after December 31, 2008;

19 (8) Income derived from the operation of ships or aircraft
20 if the income is exempt under the Internal Revenue
21 Code pursuant to the provisions of an income tax
22 treaty or agreement entered into by and between the

1 United States and a foreign country; provided that the
2 tax laws of the local governments of that country
3 reciprocally exempt from the application of all of
4 their net income taxes, the income derived from the
5 operation of ships or aircraft that are documented or
6 registered under the laws of the United States;

7 (9) The value of legal services provided by a prepaid
8 legal service plan to a taxpayer, the taxpayer's
9 spouse, and the taxpayer's dependents;

10 (10) Amounts paid, directly or indirectly, by a prepaid
11 legal service plan to a taxpayer as payment or
12 reimbursement for the provision of legal services to
13 the taxpayer, the taxpayer's spouse, and the
14 taxpayer's dependents;

15 (11) Contributions by an employer to a prepaid legal
16 service plan for compensation (through insurance or
17 otherwise) to the employer's employees for the costs
18 of legal services incurred by the employer's
19 employees, their spouses, and their dependents;

20 (12) Amounts received in the form of a monthly surcharge by
21 a utility acting on behalf of an affected utility
22 under section 269-16.3 [~~shall not be gross income,~~

S.B. NO. 2785

1 ~~adjusted gross income, or taxable income for the~~
2 ~~acting utility under this chapter]~~. Any amounts
3 retained by the acting utility for collection or other
4 costs shall not be included in this exemption; ~~[and]~~

5 (13) Amounts received in the form of a cable surcharge by
6 an electric utility company acting on behalf of a
7 certified cable company under section 269-D; provided
8 that any amounts retained by that electric utility
9 company for collection or other costs shall not be
10 included in this exemption; and

11 ~~[(13)]~~ (14) One hundred per cent of the gain realized by a
12 fee simple owner from the sale of a leased fee
13 interest in units within a condominium project,
14 cooperative project, or planned unit development to
15 the association of owners under chapter 514A or 514B,
16 or the residential cooperative corporation of the
17 leasehold units.

18 For purposes of this paragraph:

19 "Fee simple owner" shall have the same meaning as
20 provided under section 516-1; provided that it shall
21 include legal and equitable owners;

1 "Legal and equitable owner", and "leased fee
2 interest" shall have the same meanings as provided
3 under section 516-1; and

4 "Condominium project" and "cooperative project"
5 shall have the same meanings as provided under section
6 514C-1."

7 SECTION 6. Section 269-30, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"§269-30 Finances; public utility fee.** (a) Sections
10 607-5 to 607-9 shall apply to the public utilities commission
11 and each commissioner, as well as to the supreme and circuit
12 courts, and all costs and fees paid or collected pursuant to
13 this section shall be deposited with the director of finance to
14 the credit of the public utilities commission special fund
15 established under section 269-33.

16 (b) There also shall be paid to the public utilities
17 commission in each of the months of July and December of each
18 year, by each public utility subject to investigation by the
19 public utilities commission, a fee equal to one-fourth of one
20 per cent of the gross income from the public utility's business
21 during the preceding year, or the sum of \$30, whichever is
22 greater. This fee shall be deposited with the director of

1 finance to the credit of the public utilities commission special
2 fund.

3 (c) Each public utility paying a fee under subsection (b)
4 may impose a surcharge to recover the amount paid above
5 one-eighth of one per cent of gross income. The surcharge
6 imposed shall not be subject to the notice, hearing, and
7 approval requirements of this chapter; provided that the
8 surcharge may be imposed by the utility only after thirty days'
9 notice to the public utilities commission. Unless ordered by
10 the public utilities commission, the surcharge shall be imposed
11 only until the conclusion of the public utility's next rate
12 case; provided that the surcharge shall be subject to refund
13 with interest at the public utility's authorized rate of return
14 on rate base if the utility collects more money from the
15 surcharge than actually paid due to the increase in the fee to
16 one-fourth of one per cent.

17 (d) Notwithstanding any provision of this chapter to the
18 contrary, the public utilities commission may, upon the filing
19 of a petition by a public utility, credit a public utility for
20 amounts paid under subsection (b) toward amounts the public
21 utility owes in one call center fees under section 269E-6(f).

22 (e) Amounts received in the form of a cable surcharge by

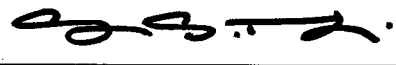
S.B. NO. 2785

1 an electric utility company acting on behalf of a certified
2 cable company under section 269-D shall not be deemed gross
3 income for that electric utility company for purposes of this
4 section; provided that any amounts retained by that electric
5 utility company for collection or other costs shall not be
6 included in this exemption."

7 SECTION 7. In codifying the new sections added to chapter
8 269, Hawaii Revised Statutes, by section 4 of this Act, the
9 revisor of statutes shall substitute appropriate section numbers
10 for the letters used in designating and referring to the new
11 sections in this Act.

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect upon its approval;
15 provided that the amendments made to section 235-7, Hawaii
16 Revised Statutes, in section 5 of this Act shall not be repealed
17 when that section is reenacted on January 1, 2013, pursuant to
18 Act 166, Session Laws of Hawaii 2007.

19
20 INTRODUCED BY: 

21 BY REQUEST

Report Title:

Interisland Electric Transmission Cable System

Description:

Establishes a regulatory structure for the installation and implementation of an interisland high voltage electric transmission cable system and for the construction of on-island transmission infrastructure.

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

JUSTIFICATION SHEET

DEPARTMENT: Office of the Governor.

TITLE: A BILL FOR AN ACT RELATING TO INTERISLAND
ELECTRIC TRANSMISSION CABLE SYSTEMS.

PURPOSE: To establish the regulatory structure under
which interisland undersea transmission
cables can be developed, financed, and
constructed on commercially reasonable
terms, such as those upon which successful
cable projects have been undertaken in
several locations around the world.

MEANS: Add new sections to chapters 239 and 240; add
a new part to chapter 269; and amend sections
235-7(a) and 269-30, Hawaii Revised Statutes.

JUSTIFICATION: The connection of Hawaii's islands via
undersea electric transmission cable systems
is essential to achieve Hawaii's energy and
economic objectives.

Impact on the public: Positive. Facilitates
development of Hawaii's renewable resources;
reduces financing costs.

Impact on the department and other agencies:
Positive. Clarifies roles and
responsibilities.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BED 120.

OTHER AFFECTED
AGENCIES: Department of Business, Economic Development
& Tourism; Public Utilities Commission.

EFFECTIVE DATE: Upon approval.