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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**HOUSE COMMITTEES ON CONSUMER PROTECTION & COMMERCE
AND
JUDICIARY & HAWAIIAN AFFAIRS**

Monday, March 18, 2024
2:00 PM
State Capitol, Conference Room 329 and Videoconference

Providing Comments on
SB 2922, SD2, HD1

RELATING TO PUBLIC UTILITIES.

Chairs Nakashima and Tarnas, Vice Chairs Sayama and Takayama, and members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 2922, SD2, HD1. This proposed measure would establish a process for electric utilities to develop and submit wildfire protection plans to the Public Utilities Commission for approval and allow the recovery of related costs and expenses through rate reduction bonds securitized by a dedicated ratepayer fee that does not place a disproportionate impact on a specific ratepayer or county.

HSEO supports the intent of the measure to make available securitized recovery bonds to mitigate future potential financial impacts to utilities from catastrophic wildfires but has several concerns about this measure. While costs and expenses eligible for recovery are limited to prudently incurred costs that are consistent with a public utilities commission-approved plan to mitigate wildfire risk and impacts, there are no guidelines for what such a plan should entail nor are there limits or caps to the total amount of bonds that could be issued for such a purpose.

HSEO continues to prefer a securitization approach to provide the lowest cost financial resources towards wildfire mitigation plans that outlines specific criteria and methodology on allowable wildfire mitigation plans and cost recovery mechanisms to be pursued as articulated in HB 2407, HD2.

Thank you for the opportunity to testify.