



RESOLUTION

SUPPORTING STATE LEGISLATION THAT WOULD LIMIT THE ABILITY OF AN ELECTRIC UTILITY COMPANY TO OWN AND OPERATE BOTH THE MEANS TO PRODUCE AND DELIVER ELECTRICITY TO THE PUBLIC.

WHEREAS, residential consumers in Hawaii pay more than three times the national average for electricity; and

WHEREAS, a report by the U.S. Energy Information Administration (EIA) finds that the price for electricity (residential) in Hawaii is 36.56 cents per kilowatt-hour, while the national average price for electricity (residential) is 11.88 cents per kilowatt-hour; and

WHEREAS, Hawaii has a regulatory system and a utility monopoly that were built for a time and public purpose that are in the past; and

WHEREAS, Hawaii's boundless renewable energy potential is bottlenecked in our archaic utility structure; and

WHEREAS, the utility's monopolistic control is often at odds with the public interest in the world beyond fossil fuels; and

WHEREAS, democratizing energy requires the creation of a free market in energy so that we can deploy clean energy sources and our entrepreneurs can create new jobs; and

WHEREAS, Hawaii Revised Statutes Section 269-91 defines "electric utility company" as a public utility for the production, conveyance, transmission, delivery, or furnishing of power; and

WHEREAS, Oahu's electric utility company has an inherent conflict with respect to purchasing electricity produced within the company or by an affiliate versus purchasing electricity produced by an independently owned and operated energy generation company; and

WHEREAS, there is a need to facilitate the development of competitive power generation markets; and

WHEREAS, potential benefits of a competitive power production environment include: lower electricity prices, lessened reliance on fossil fuel-based electricity



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generation, enhanced development of independently produced renewable energy, and promoting parity within the electricity generating industry; and

WHEREAS, House Bill No. 2400 and its companion bill, Senate Bill No. 2982, would among other things:

- 1) Limit the ability of an electric utility company to own and operate both the means to produce and deliver electricity to the public;
- 2) Require that an electric utility company that delivers electricity must obtain the electricity through purchase power agreements, but may not enter into a purchase power contract with an affiliate; and
- 3) Require the Public Utilities Commission to direct utilities to acquire the lowest cost, electrical grid-safe power from non-fossil fuel sources;

and

WHEREAS, the Council concurs with the intent of H.B. No. 2400 and S.B. No. 2982 and believes that the adoption of such legislation is consistent with the City's General Plan policies relating to energy development, utilization, and conservation; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it supports state legislation that would limit the ability of an electric company to own and operate both the means to produce and deliver electricity to the public, as envisioned in House Bill No. 2400 and Senate Bill No. 2982 Relating to Public Utilities; and



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BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Speaker of the House, the Senate President, the Chair of the Public Utilities Commission, the members of Hawaii's congressional delegation, and the Chair of the Federal Trade Commission.

INTRODUCED BY:

Tom BERG

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers