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HAWAII ENERGY POLICY FORUM

UNIVERSITY OF HAWAI'I AT MĀNOA

UTILITY REGULATORY AGENCY REFORM

Revitalization of the PUC and DCA is essential to implement progressive Hawaii energy policies.

Carl Freedman

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Agency Capability is Essential

- Agencies provide crucial functions necessary for sound energy policy implementation.
 - PUC is primary agency implementing Hawaii's Renewable Portfolio Standards.
 - Existing and proposed energy statutes all fundamentally rely on the PUC and DCA to ensure effective, reasonable and fair policy implementation.



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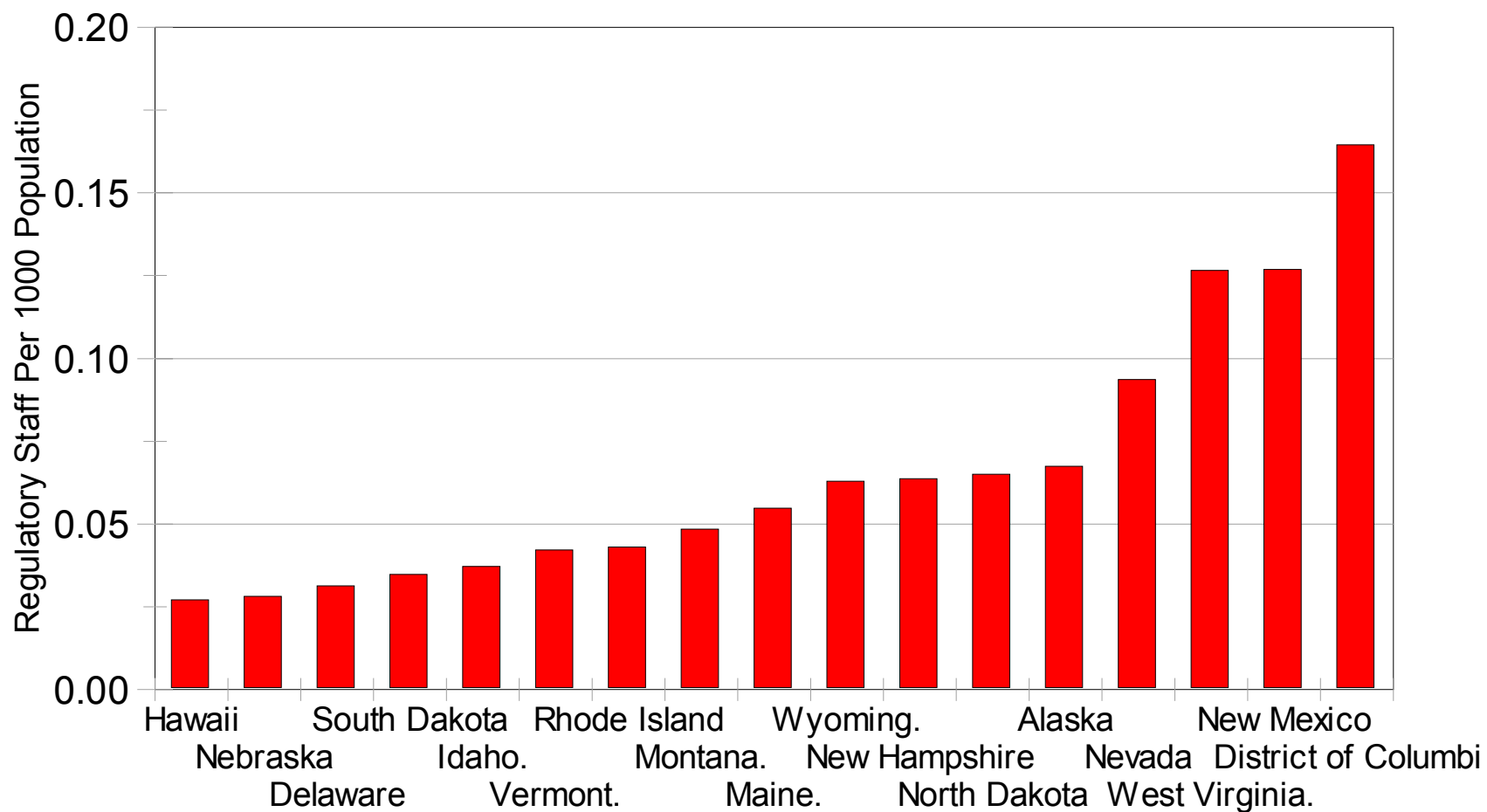
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Funding and Staffing

- The PUC and DCA are both under-funded and understaffed.
 - Hawaii PUC staff size is the smallest per capita for any of the smaller states in the nation.
 - Hawaii's utility regulatory agencies have more duties than most mainland counterparts.
 - Salaries are low by industry and mainland standards.
 - Job requirements and duties are more demanding than other Hawaii state agency counterparts.



Regulatory Commission Staff Levels States Under 2 Million Population





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Recommendation #1

- Use the existing PUC Special Fund to provide adequate funding for the PUC and DCA.
 - Remove provision that dumps excess collections from the Special fund to the General Fund.
 - Provide for refund of excess collections back to utility customers from whom funds are collected



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Recommendation #2

- Allow additional exempt positions for the PUC and DCA.
 - These agencies have specialized job requirements that are not provided for by existing Hawaii job classifications.
 - Both agencies have difficulties recruiting and retaining qualified staff.
 - Maintaining an experienced and qualified staff is essential to fulfill these agencies' special duties.



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Recommendation #3

- Increase PUC commissioner salaries to at least the level of DCA executive director's salary.
 - Low existing commissioner salary levels create a restrictive and problematic “glass ceiling” for PUC staff salaries.
 - Commissioner salaries are low by mainland agency standards.
 - Commissioner salaries are low in relation to agency stature compared to corresponding Hawaii agencies.



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