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OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Energy & Environmental Protection
Thursday, February 6, 2025
9:00 a.m.
Conference Room 325**

**On the following measure:
H.B. 977, RELATING TO ENERGY FINANCING**

Chair Lowen 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 supports this bill.

The purpose of this bill is to: (1) authorize the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers; and (2) appropriate funds into and out of the Clean Energy and Energy Efficiency Revolving Loan Fund.

The Department supports this bill since it would infuse funds into the clean energy and energy efficiency revolving loan fund to provide financing opportunities for “underserved ratepayers” which is defined to including low- and moderate-income homeowners, renters, nonprofits, and other entities to take advantage of renewable energy technology and reduce their energy burden. Low- to moderate-income households pay a disproportionately higher percentage of their income towards energy

bills and do not have the financial means to pursue the installation of renewable energy technologies. This measure seeks to address the financial barrier that has prevented many struggling households and other underserved ratepayers from reducing their energy burdens and moving towards energy independence.

The Department especially appreciates that the funds for the clean energy and energy efficiency revolving loan fund will be infused with monies from the general fund and not through fees assessed on utility customers through their monthly bills. Other programs that seek funding through utility rates do not adequately consider that utility rates are regressive and will increase utility bills for all customers, especially low to moderate income households whose energy burden will only increase. Additional fees to pay for the loan fund through utility rates would further increase the energy bills that many customers have struggled to pay, especially during the pandemic and over the last year when significant bill increases occurred. As currently drafted, this measure avoids placing an additional financial burden on those households that this bill attempts to support.

Thank you for the opportunity to testify on this bill.



**Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Energy & Environmental Protection
Thursday, February 6, 2025, 9:00 AM
State Capitol, Conference Room 325
in consideration of
House Bill No. 977
RELATING TO ENERGY FINANCING**

Chair Lowen, Vice Chair Perruso and Members of the Committee:

Thank you for the opportunity to testify and provide comments on House Bill No. 977 relating to energy financing. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this bill which will provide a capital infusion to HGIA's Clean Energy and Energy Efficiency Revolving loan fund to continue to provide solar and storage financing for ALICE households and other underserved ratepayers.

While the 2024 ALICE report¹ indicates the percentage of ALICE households decreased slightly from 2022 to 41% (from 44%), the "Electricity Burdens on Hawaii Households: 2022 Update" recently published by DBEDT's Research & Economic Analysis Division, indicates that Hawaii's electricity costs are still the highest in the nation resulting in an average electricity burden per household of 2.1%, as compared to the national average of 1.5%. Further, lower income households spend a disproportionate amount of their income on electricity bills.

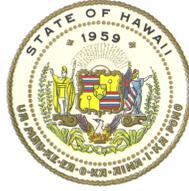
The Legislature's approval of loan capital for solar+storage loans in 2023, coupled with the Hawaii Public Utilities Commission approval of HGIA's request to eliminate all credit barriers for underserved ratepayers under its Green Energy Money Saver On-Bill (GEM\$ OB) financing program resulted in a significant spike in demand. The number of applications received in 2017 (pre-GEM\$ OB) aggregated 224. In 2019, with the launch of GEM\$ OB, the number of applications received doubled to 482. However, for the 11-month period ended 11/30/24, with loan capital to finance both solar+storage, as well as the elimination of all credit barriers for underserved ratepayers, HGIA received 1,564 applications - more than 3x the amount received in 2019 and a 598% increase from pre-GEM\$ OB numbers, demonstrating the pent-up demand.

This measure is in direct alignment with the Governor's Executive Order 25-01, accelerating Hawaii's transition toward 100% renewable energy by maximizing distributed solar energy paired with battery storage to low and moderate-income residents.

Additionally, this bill will allow HGIA to finance solar systems for state and local governments, helping Hawaii access an additional 30% in Federal funds under the Inflation Reduction Act's Direct Pay program while lowering electricity costs for Hawaii's taxpayers.

Thank you for this opportunity to testify and provide comments in strong support of HB977.

¹ Published by Aloha United Way in partnership with Bank of Hawaii.



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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Director, OPSD

Commissioners:
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Director, Maui DP
Director, Hawaii DP
Director, Kauai DP
The Adjutant General
Manager, CZM

**Testimony of
LEAH LARAMEE
Climate Change Coordinator on behalf of
Climate Change Mitigation and Adaptation Commission Co-Chair Mary Alice Evans and
Co-Chair Dawn N.S. Chang**

**Before the House Committee on
ENERGY AND ENVIRONMENTAL PROTECTION**

**Thursday, February 6, 2025
9:00 AM
State Capitol, Conference Room 325 & Videoconference**

**In consideration of
HOUSE BILL 977
RELATING TO ENERGY FINANCING**

HB 977 authorizes the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers. Appropriates funds into and out of the Clean Energy and Energy Efficiency Revolving Loan Fund. **The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget request and offers the following comments.**

The Commission is a multi-jurisdictional effort between 20 different State and county departments, and Legislative committees. Rooftop solar is a key component in reaching our legislated climate goals. If approved, this will provide additional funding to support underserved ratepayers into HGIA's special fund so that repayments can be recycled, re-lent and re-invested into more Solar + Storage systems for ALICE households. With the highest energy costs and ambitious climate goals this is a win win for the state and its communities.

Mahalo for the opportunity to testify in support of this measure.



SIERRA CLUB OF HAWAI'I

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 6, 2025

9:00 AM

Conference Room 325

In SUPPORT of HB977: Related to Energy Financing

Aloha Chair Lowen, Vice Chair Perruso, and Members of the Committee,

On behalf of our more than 20,000 members and supporters, the Sierra Club of Hawai'i **SUPPORTS HB977**, which seeks to provide sustainable financing for and expand access to the benefits of clean, renewable energy for all households.

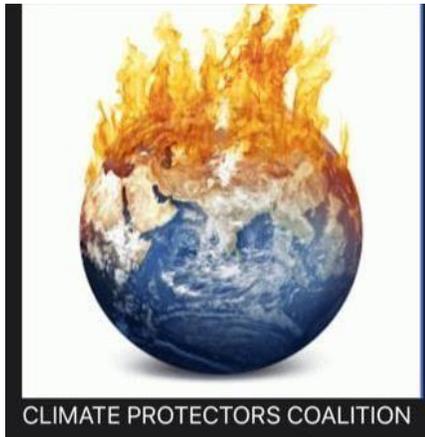
With our high energy costs and lagging transition to renewable energy, this bill is a lifeline for underserved communities: by providing individuals, nonprofits, and governments access to low-interest loans to invest in renewable energy infrastructure, it can provide greater access to the lower energy costs of renewable energy while also increasing resilience against power outages due to natural disasters or supply chain disruptions.

For low-income households, this bill may help to free up income for other essential needs like housing, food, and healthcare. For nonprofits and small businesses, it means reducing operational costs and strengthening their ability to serve our communities. And for Hawai'i as a whole, HB977 represents a step forward in achieving climate resilience and energy independence.

A key strength of HB977 is its expanded definition of “underserved ratepayers.” By including not only low-income households but also moderate-income families, nonprofits, small businesses, and state and local governments, the bill ensures that a wider range of communities can participate in the clean energy transition.

The demand for Green Energy Money Saver (GEM\$) On-Bill Financing, which skyrocketed after credit barriers were removed, demonstrates the transformative opportunity of providing accessible clean energy financing. HB977 will provide funding to take advantage of this opportunity and enable HGIA to accelerate rooftop solar and storage systems for low- and moderate-income households, nonprofits, small businesses, and governments expediting our transition to renewable energy while also doing so in an equitable manner.

Accordingly, the Sierra Club of Hawai'i respectfully urges the Committee to **PASS** HB977. Mahalo nui for the opportunity to testify!



To: The Honorable Representative Nicole Lowen, Chair, the Honorable Amy Perruso, Vice Chair, and Members of the Committee on Energy and Environmental Protection.

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing HB977 RELATING TO ENERGY FINANCING

Hearing: Thursday February 6, 2025 9:00 a.m.

Aloha Chair Lowen, Vice Chair Perruso, and Energy and Environmental Protection Committee Members:

The mission of the Climate Protectors Hawai'i is to educate and engage the local community in climate change action, to help Hawai'i show the world the way back to a safe and stable climate.

The Climate Protectors Hawai'i STRONGLY SUPPORTS HB977!

Many homeowners would like to install rooftop solar photovoltaic systems with storage systems but are unable to finance such systems. This bill would help homeowners and others finance rooftop solar plus storage systems. It would provide an infusion of capital for the Hawaii Green Infrastructure Authority to finance low interest loans for underserved ratepayers from the Clean Energy and Energy Efficiency Revolving Loan Fund. Underserved ratepayers include State and local governments, low and moderate income homeowners, renters, non-profits, small businesses and multi-family rental projects. The loans would be repaid using on-bill financing.

This capital infusion will not only **help underserved ratepayers save money by installing rooftop solar plus storage**, but will also **help Hawaii meet its goal of being carbon negative no later than 2045**.

Please pass this bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)

January 30, 2025

Representative Lowen

House Committee on Energy and Environmental Protection

RE: HB977 – Relating to Energy Financing

Hearing: Thursday, January 30, 2025

Position: **STRONG SUPPORT**

Chair Lowen and members of the committee:

My name is Will Giese. I am the Senior Director of Government Affairs of The Solaray Corporation. Solaray was founded in 1975 and does business in Hawai'i as Inter-Island Solar Supply. Solaray also wholly owns Pacific Panel Cleaners ("PPC"), Generator & Power Systems ("GPS"), both Hawai'i Corporations, SunEarth, Inc., a California Corporation, and Alternate Energy Technologies (AET), a Florida Corporation. SunEarth & AET are domestic manufacturing companies producing American made clean energy products, much of which is installed and operated throughout Hawaii for 50 years. GPS is the Generac Industrial generator distributor for Hawai'i. Solaray Corp., and its wholly owned subsidiaries, are proudly 100% employee owned.

I am testifying **in STRONG SUPPORT of HB977** relating to Energy Financing.

This bill authorizes the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers. Appropriates funds into and out of the Clean Energy and Energy Efficiency Revolving Loan Fund

COMMENTS

The Hawaii Green Infrastructure Authority, or HGIA, is one of the most successfully clean energy financing programs in Hawaii. Through this program, millions of dollars of well-managed financings have been spent to build renewable energy and energy efficiency projects across the state, especially in underserved and low-income communities.

Succinctly, this bill would expand the definition of "underserved ratepayers" to include several entities that might otherwise not benefit from competitive or under market clean energy financing opportunities, which includes low-income communities, small local businesses, and even state and local governments. This expanded definition, combined with an expanded definition of direct pay eligibility under the inflation Reduction Act, will allow these communities to leverage highly competitive, state-grown financing that will lower energy burdens and raise the living standard of thousands while showing a willingness of the state to invest in itself.

As a local, employee-owned solar business owned and operated in Hawaii for over 50 years, Solaray is testifying in **STRONG SUPPORT of HB977** and urges the committee to pass this measure.

Thank you for your time and consideration,

Will Giese
Senior Director, Government Affairs
Inter-Island Solar Supply

HB-977

Submitted on: 2/3/2025 12:53:23 PM

Testimony for EEP on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Forest Frizzell	Shifted Energy	Support	Written Testimony Only

Comments:

Dear Reps Lowen, Evslin, Grandinetti, Hussey, Kahaloa, Keohokapu-Lee Loy, Kila, Kitagawa, La Chica, Marten, Miyake, Perruso, Poepoe, Quinlan, Tam, Tarnas and Todd

Thank you for introducing HB 977. We stand in strong support of this bill.

Mahalo,

Forest Frizzell

CEO

HB-977

Submitted on: 2/4/2025 8:03:23 AM

Testimony for EEP on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Julian Kahumana	Alternate Energy Hawaii	Support	Written Testimony Only

Comments:

Dear Chair Lowen and Members of the Committee:

My name is Julian Kahumana, and I am writing on behalf of Alternate Energy Hawaii, located at 96-1276 Waihona Street, Suite #114, Pearl City, HI 96782. I am writing to express our **strong support** for **S.B. No. 1071 S.D. 1**, which seeks to expand access to clean energy financing for underserved communities through the Clean Energy and Energy Efficiency Revolving Loan Fund.

At Alternate Energy Hawaii, we are deeply committed to advancing Hawaii's renewable energy goals, including achieving 100% renewable energy by 2045. Rooftop solar plus storage systems are critical to reducing our state's carbon emissions, stabilizing our energy grid, and lessening our dependence on imported fossil fuels. However, many of our moderate-income homeowners, renters, nonprofits, and small businesses face significant financial barriers to adopting these technologies.

The Green Energy Money Saver on-bill financing program has already made strides in bridging this gap, but additional funding is crucial. S.B. No. 1071 addresses this need by providing a much-needed capital infusion to the Clean Energy and Energy Efficiency Revolving Loan Fund. This will ensure that not only low-income households but also moderate-income families, small businesses, and nonprofit organizations can access affordable financing for clean energy projects.

By expanding the definition of "underserved ratepayers" and allocating funds specifically to support them, this bill fosters inclusivity and equity in Hawaii's transition to renewable energy. It also promotes economic resilience by enabling small businesses to reduce operational costs through energy efficiency.

We urge you to pass **S.B. No. 1071 S.D. 1** to ensure that all Hawai'i residents and businesses, regardless of income, can participate in and benefit from our state's clean energy future.

Thank you for the opportunity to testify in support of this important legislation.

Sincerely,

Julian Kahumana



HNU-ENERGY
Harnessing the Power of Light

Statement of
Dr. Michael Reiley
President, HNU Energy
before the
**House Committee on
Energy & Environmental Protection**
Thursday, February 6, 2025
9:00 a.m.
State Capitol, Conference Room 325

In consideration of
HB977
RELATING TO ENERGY FINANCING

HNU Energy **STRONGLY SUPPORTS** HB977, which Authorizes the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers.

My company, HNU Energy headquartered on Maui, has been a leader in renewable energy design, construction and financing for 18 years. We have multiple awards including from the Asia-Pacific Economic Cooperative (APEC) and the U.S. Space Force for pioneering and deploying energy generation and storage solutions.

We also have worked closely for nearly a decade with the Hawaii Green Infrastructure Authority as a funding partner for many of the renewable energy systems that we own and operate. The HGIA funding is an integral component of a finance structure to enable the State of Hawaii to achieve our ambitious renewable energy goals.

Again, I strongly support this measure.



To: The House Committee on Energy and Environmental Protection
From: Sherry Pollack, Co-Founder, 350Hawaii.org
Date: Thursday, February 6, 2025, 9am

In support of HB977

Aloha Chair Lowen, Vice Chair Perruso, and Energy and Environmental Protection Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of HB977** that authorizes the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers.

Hawaii will not be able to reach its carbon reduction goals if we do not enact policies that support these outcomes. 350Hawaii fully supports efforts by the legislature to establish social equity as a foundational principle in the State's efforts to strengthen climate resilience, including low-interest loan programs. Without this program, capital constrained households will be unable to switch to lower, cleaner sources of electricity. Furthermore, as solar energy is currently about one-half the cost of oil-fired electricity, underserved ratepayers, including ALICE (Asset Limited, Income Constrained, Employed) households would directly benefit from a program that helps overcome financial challenges such as high electricity costs and inflation.

A Just Transition means leaving no one behind. That includes efforts such as the Clean Energy and Energy Efficiency Revolving Loan Fund that help to remove barriers and increase access to affordable renewable energy.

Mahalo for the opportunity to testify in **strong support** of this important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

FEBRUARY 6th, 2025

HB 977, RELATING TO ENERGY FINANCING

POSITION: SUPPORT

Coalition Earth **supports** for HB 977, relating to energy financing, which authorizes the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers; and appropriates funds into and out of the Clean Energy and Energy Efficiency Revolving Loan Fund.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures,

including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by strengthening clean energy financing mechanisms.** Photovoltaic systems have significantly advanced in their energy savings and storage capacity in recent years, and remain a primary component of our state's path toward 100 percent renewable energy generation. Moreover, the green energy money Saver on-bill financing program has delivered accessible and affordable financing of rooftop solar plus storage systems to reduce energy-burdened, underserved ratepayers.

Equity must continue to be a cornerstone of our clean energy investments. As of January 2025, the Hawai'i Green Infrastructure Authority (HGIA) had roughly 1,200 applications in process, which are anticipated to consume remaining all available funding. HGIA was awarded \$62,000,000 in federal solar-for-all loan funds, but these funds are restricted to financing only low-income households and a limited number of disadvantaged census tracts, as this bill's preamble states, leaving moderate-income households and other underserved ratepayers, including nonprofits and small businesses, without access to financing for essential energy efficiency upgrades.

In June of last year, the state reached a settlement agreement in the landmark case of *Navahine v. Hawai'i Department of Transportation*, in which Gov. Josh Green acknowledged the constitutional rights of Hawai'i's youth to a life-sustaining climate and confirmed the commitment by HDOT to plan and implement transformative changes to Hawai'i's transportation system to achieve the state's goal of net-negative emissions by 2045. Additionally, on January 28th, Gov. Green issued an executive order to promote and expedite the development of renewable energy across our state.

Amidst uncertainty regarding renewable energy policy created by the Trump administration and concerns over grid stability across the state, the order accelerates renewable development for neighbor island communities to hit 100 percent renewable portfolio standards from 2045 to 2035, sets a statewide goal of 50,000 distributed renewable energy installations (such as rooftop solar and battery systems) by 2030, and directs state departments to streamline the permitting of renewable developments to reduce energy costs. We must take action to shore up green financing at the state level, so that federal instability does not imperil our ability to meet our clean economy goals or jeopardize our society's future.

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. Contact us at info@coalitionearth.org.

HB-977

Submitted on: 1/29/2025 3:06:11 PM

Testimony for EEP on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

HB977 will help more of Hawaii's citizens to participate in the benefits of renewable, emission-free, solar energy. I support this bill.

HB-977

Submitted on: 1/31/2025 3:50:53 PM

Testimony for EEP on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeff	Individual	Support	Written Testimony Only

Comments:

Dear Sirs,

I urge for your support of HB977.

Thanks veruy much.

aloha, Jeff Lum

HB-977

Submitted on: 2/4/2025 7:36:09 AM

Testimony for EEP on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Justin Furuta	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-977

Submitted on: 2/6/2025 6:51:23 AM

Testimony for EEP on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kapua Keliikoa-Kamai	Individual	Support	Remotely Via Zoom

Comments:

Aloha Kākou,

I stand in **STRONG SUPPORT** of HB977 - RELATING TO ENERGY FINANCING. Authorizes the Clean Energy and Energy Efficiency Revolving Loan Fund to be used to provide financial assistance to underserved ratepayers, in addition to other eligible borrowers. Appropriates funds into and out of the Clean Energy and Energy Efficiency Revolving Loan Fund.

Let's make solar and other renewable energy technologies accessible and affordable to struggling low to middle income (LMI) households too. LMI households also need assistance in reducing their energy burden and helping Hawai'i meet its 100% renewable energy goals by 2045. Help LMI households to help Hawai'i by passing HB977.

Mahalo,

Kapua Keliikoa-Kamai

Concerned Wai‘anae Kanaka