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Testimony of the Public Utilities Commission

To the
Senate Committee on
Energy & Intergovernmental Affairs

February 4, 2025
3:02 p.m.

Chair Wakai, Vice Chair Chang, and Members of the Committee:

Measure: S.B. No. 202
Title: RELATING TO RENEWABLE ENERGY

Position:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

Comments:

The Commission appreciates the intent of this measure to require electric utilities to compensate electricity producers for excess electricity credits.

The Commission views incentives for renewable energy generation as important contributors toward the State's energy goals. However, the Commission notes that the changes proposed in this measure may conflict with the intent of Net Energy Metering ("NEM") programs.

HRS §269-101 specifies that an energy system used for Net Energy Metering should be "intended primarily to offset part or all of the customer's own electrical requirements." The NEM Program provides compensation for customer generation over a 12-month period, up to the amount of electricity purchased by that customer in the same timeframe. Providing compensation for customer exports in excess of their purchases beyond a 12-month period was not contemplated in the original legislation establishing the program. Instead, customers who wish to sell electricity back to the utility in excess of their purchases may utilize alternative programs, including the Schedule Q tariff, or by negotiating a power purchase agreement directly with the utility.

The Commission reviews compensation structures for distributed energy programs in Docket No. 2019-0323. The Commission must balance considerations such as grid

needs, reliability, affordability, and resiliency when determining DER program designs. While distributed energy resources like rooftop solar will be a critical part of Hawaii's clean energy transition, it is important to avoid cross-subsidization within and between rate classes. When NEM customers lower their bills to zero, the remainder of the legacy energy system's costs must be paid for by non-NEM customers, many of whom are renters, live on fixed incomes, and/or cannot afford the upfront investment of installing rooftop solar. Paying NEM customers in excess of their electricity usage may exacerbate these affordability concerns. It may also incentivize customers to install larger new PV systems, which may impact the reliability of the electric grid and conflict with the intent of HRS §269-101.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR | KE KIAʻĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIAʻĀINA

STATE OF HAWAII | KA MOKUʻĀINA ʻO HAWAIʻI
OFFICE OF THE DIRECTOR
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NADINE Y. ANDO
DIRECTOR | KA LUNA HOʻOKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HOʻOKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committee on Energy and Intergovernmental Affairs
Tuesday, February 4, 2025
3:02 p.m.
Conference Room 016

On the following measure:
S.B. 202, RELATING TO RENEWABLE ENERGY

Chair Wakai 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 offers comments his bill.

The purpose of this bill is to require electric utilities to compensate electricity producers for excess electricity credits.

The Department notes that the Net Energy Metering (NEM) program in Hawaii Revised Statutes (HRS) Part VI has been fully subscribed and closed to new customers since Decision and Order No. 33258 was issued on October 12, 2015, in Hawaii Public Utilities Commission (Commission) Docket No. 2014-0192, pursuant to system limits in HRS § 269-104. Therefore, the proposed amendments to HRS §§ 269-106 and -108, as well as the compensation rate set in Section 4 of the bill, might not have any effect at this point even if enacted.

As the Department commented in Docket No. 2014-0192 when the Commission considered finding NEM fully subscribed (and shifting to other distributed energy resources (DER) programs and valuation models), the compensation for DER exports should be calibrated to the measured and/or calculated value of the energy created, netted against any system costs related to the utility accepting such exports onto the grid but then still supplying energy back to the customer later. This net calculation follows the basic principle of cost-causation. The Department represents all utility customers, those with DER and those without. The Department supports the growth and utilization of DER, but continually guards against the inadvertent shifting of certain system costs from DER customers to non-DER customers. So far, most studies and modeling efforts have indicated that the net value for DER exports (even with the more recent pairing of distributed batteries) is usually some amount less than the residential retail rate.

Thank you for the opportunity to testify on this bill.

SB-202
Submitted on: 2/2/2025 12:09:39 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan B Roberts Emery	Testifying for Green Party of Hawai’i	Support	Written Testimony Only

Comments:

Aloha Chair Wakai and Vice Chair Chang,

My name is Susan RobertsEmery , I am writing on behalf of the Green Party of Hawai'i, we offer our strong support for SB202, Net Metering. Net metering allows utility customers to generate their own electricity cleanly and efficiently. During the day, most solar customers produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills. This sounds like a win win for all.

Maholo for your Yes vote on SB202.

Green Party of Hawai'i

Susan RobertsEmery

Co Chair GPH

Paauilo

SB-202
Submitted on: 2/2/2025 3:58:02 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Christopher Dean	Testifying for Recycle Hawaii, Clean The Pacific	Support	Remotely Via Zoom

Comments:

Dear Senators,

I have been a strong supporter of net metering for decades. We had net metering and during that time, home rooftop solar was booming. The demand was so high that local contractors couldn't keep up and contractors came in from the mainland. Then HELCO ended net metering and instantly, demand for home rooftop solar ended. What is your goal here, to save life on Earth from the devastation of the climate crisis, or to make sure HELCO shareholders maximize their profit potential? Forty Four states have net metering laws. I thought Hawaii was a progressive state that cared about its environment and the citizens. Many of the states, such as Arizona, California, Colorado, Connecticut, Delaware, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Utah, Vermont, and West Virginia, have been using net metering for decades. Their utilities didn't go bankrupt. If you really wanted to reach net zero by 2030, net metering is the only hope. Once people find out that not only will they save money, but that they can even make money, you will see an immediate transition to solar energy. HELCO can charge for basic services, which can include costs of updating and maintaining the grid to handle multi point sources.

I understand that net metering increases the wealth of the citizenry, instead of piling it all up in the bank accounts of the wealthy few, but basic economics shows that a rising tide lifts all boats, even the luxury yachts with helicopters. Home and commercial rooftop solar doesn't require development of land. It's the safest form of electricity generation, less vulnerable to attack and severe weather and catastrophes. Solar is the cheapest source of energy. Solar has the lowest consumption of resources to KWh. Solar doesn't pollute. Solar is quiet. Solar with batteries is the most reliable source of energy, the sun will always be there. Solar is 99.99% recyclable. Solar provides jobs. In short, there is no reason to not implement net metering. After all, if you believe in market economics and freedom, then you should support the right of the common man to make and sell electricity at a fair market rate, if they want.

SB-202
Submitted on: 2/2/2025 4:33:24 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Helen Cox	Testifying for Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

Aloha Committee Chairs and Committee Members,

I am writing on behalf of Kauai Climate Action Coalition, a group of over 170 Kauai residents concerned about the climate crisis we face, to strongly support SB202 that requires net metering.

Net metering allows utility customers to generate their own electricity cleanly and efficiently. During the day, most solar customers produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills. I have experienced this at a residence in Vermont, where net metering is in place, and it certainly encouraged installation of solar panels and batteries.

In addition, net metering provides substantial economic benefits in terms of jobs and investment. Net metering increases demand for solar energy, which in turn creates jobs for the installers, electricians, and manufacturers who work in the solar supply chain.

Net metering policies create a smoother demand curve for electricity and allow utilities to better manage their peak electricity loads. By encouraging generation near the point of consumption, net metering also reduces the strain on distribution systems and prevents losses in long-distance electricity transmission and distribution.

In short, net metering helps the consumer, the power utility, and assists Hawaii to meet its renewable energy goals. Please pass SB202. Mahalo!

Helen Cox, Chair

Kauai Climate Action Coalition

SB-202
Submitted on: 2/2/2025 8:17:56 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair, Vice Chair, and Members of the Committee,

My name is Nanea Lo, and I am testifying in **strong support of SB202**, which would require electric utilities to fairly compensate customers for the excess electricity they generate and feed back into the grid. I submit this testimony as a resident of Mōʻiliʻili, a Kanaka Maoli and lineal descendant of the Hawaiian Kingdom, a board member of the Hawaiʻi Workers Center, and an Executive Committee Member of the Sierra Club of Hawaiʻi.

Restoring net metering in Hawaiʻi is critical for advancing renewable energy adoption, ensuring fairness for solar customers, and promoting energy independence. Under this policy, customers with solar and battery storage can reduce their electricity bills by earning credit for the clean energy they produce, which benefits not only individual households but also our island grid as a whole.

Hawaiʻi has been a leader in clean energy, and net metering played a key role in that success by making solar energy more accessible and financially viable for homeowners. When this policy was previously in place, it helped drive widespread adoption of solar, reducing our reliance on imported fossil fuels and lowering greenhouse gas emissions.

Beyond environmental benefits, net metering also strengthens our local economy by creating well-paying jobs for solar installers, electricians, and manufacturers in the renewable energy sector. By increasing demand for solar energy, this policy supports a growing workforce that is essential to our transition toward a clean energy future.

While some utilities may argue that net metering reduces their revenue, it actually provides benefits that outweigh these concerns. By allowing customers to generate and share clean energy, net metering reduces strain on the electric grid, stabilizes energy supply during peak demand hours, and minimizes transmission losses. This leads to a more resilient, cost-effective, and efficient energy system for all ratepayers.

Hawaiʻi has set ambitious clean energy goals, and SB202 is a necessary step to achieve them. I strongly urge the committee to pass this measure and reinstate net metering, ensuring a just and equitable transition to renewable energy.

Me ke aloha ʻāina,
Nanea Lo
Mōʻiliʻili, HI 96826
Sierra Club of Hawaiʻi, Executive Committee Member
Board Member, Hawaiʻi Workers Center
Kanaka Maoli / Lineal Descendant of the Hawaiian Kingdom

Environmental Caucus of
The Democratic Party of Hawai‘i

February 4, 2025

Testimony in Support of SB202: Relating to Renewable Energy

To: Chair Wakai, Vice Chair Chang, and Members of the Senate Committee on Energy and Intergovernmental Affairs

From: Melodie Aduja and Alan Burdick, Co-chairs, Environmental Caucus of the Democratic Party of Hawaii

Date: February 4, 2025, 3:02 p.m.

Re: SB202: Relating to Renewable Energy

Position: Strong Support

Dear Chair Wakai, Vice Chair Chang, and Members of the Senate Committee on Energy and Intergovernmental Affairs,

We, Melodie Aduja and Alan Burdick, Co-chairs of the Environmental Caucus of the Democratic Party of Hawaii, strongly support SB202, which requires electric utilities to compensate electricity producers for excess electricity credits. This bill is a crucial step towards promoting renewable energy and ensuring fair compensation for energy producers.

Key Points of SB202:

1. **Compensation for Excess Electricity Credits**: Requires electric utilities to compensate electricity producers for any excess electricity credits remaining at the end of each twelve-month reconciliation period.
2. **Encouragement of Renewable Energy Production**: Incentivizes homeowners and businesses to install additional renewable energy systems, such as solar panels, by ensuring they receive fair compensation for the excess energy they produce.
3. **Environmental Benefits**: Promotes the use of renewable energy sources, reducing reliance on fossil fuels and decreasing greenhouse gas emissions.
4. **Economic Benefits**: Supports the growth of the renewable energy sector, creating job opportunities and stimulating the local economy.

Arguments in Support:

1. **Fair Compensation**: Ensuring that electricity producers are fairly compensated for their excess energy credits encourages more individuals and businesses to invest in renewable

energy systems. This not only benefits the producers but also contributes to the overall goal of energy independence and sustainability.

2. **Environmental Protection**: By promoting the use of renewable energy sources, SB202 helps reduce greenhouse gas emissions and combat climate change. This bill supports Hawaii's commitment to achieving its renewable energy goals and protecting the environment for future generations.

3. **Economic Growth**: The renewable energy sector has the potential to create numerous job opportunities and stimulate economic growth. By incentivizing the installation of renewable energy systems, SB202 supports the development of a robust renewable energy industry in Hawaii.

4. **Energy Independence**: Encouraging the production of renewable energy contributes to Hawaii's energy independence. By reducing reliance on imported fossil fuels, the state can enhance its energy security and resilience.

In conclusion, we urge the Committee to pass SB202. This bill represents a significant and necessary step towards promoting renewable energy, ensuring fair compensation for energy producers, and protecting our environment. We believe that with the implementation of SB202, Hawaii can lead the way in achieving its renewable energy goals and ensuring a sustainable future for our residents.

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

Sincerely,

Melodie Aduja and Alan Burdick
Co-chairs, Environmental Caucus of the Democratic Party of Hawaii

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P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS
Senator Glenn Wakai, Chair
Senator Stanley Chang, Vice Chair

DATE: Tuesday, February 4, 2025
TIME: 3:02 PM
PLACE: Conference Room 016

Re: SB 202 Nwt Energy Metering Support

Aloha Chair Wakai, Vice Chair Chang, and Members of the Committee

There are people who install rooftop solar to meet their needs, but over the years, the number of people in their household has dropped dramatically, and as a result, they may find themselves "giving" a lot of free electricity to the utility, an amount greater than the minimal bill established by policymakers.

In this case the utility charges the customer for giving the utility free electricity. In such cases, the free electricity should be used in part to zero-out the minimum bill.

Henry Curtis

Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS

SB 202
Relating to Renewable Energy

Tuesday, February 4, 2025
3:02 pm
State Capitol, Conference Room 016

Kaiulani Shinsato
Director, Customer Energy Resources
Hawaiian Electric

Dera Chair Wakai, Vice Chair Chang, and Members of the Committee,

My name is Kaiulani Shinsato and I am testifying on behalf of Hawaiian Electric or "Company" **in opposition** to SB 202.

This bill would require Hawaiian Electric to pay customers enrolled in the Net Energy Metering ("NEM") program retail rate of their rate class for any remaining credits at the end of their twelve-month reconciliation period. In 2015, the Hawai'i Public Utilities Commission ("Commission") closed the NEM program to new customers because it was not a sustainable, long-term program to grow Distributed Energy Resources ("DER"). For existing NEM customers who enrolled in the program prior to its closure, any such remaining credits are forfeited at the end of their twelve-month reconciliation period. Thus, this bill would effectively remove the forfeiture feature of the NEM program, which has operated in this way since the inception of the NEM program.

This bill contravenes the original intent of the NEM program, which was intended to allow customers to offset their bill with credits from their exports. It was not intended to look like a Feed-In Tariff program, where customers are compensated for all

generation they export to the grid. Moreover, when unapplied customer credits remain unused at the twelve-month reconciliation, these forfeited credits benefit all customers, including customers who do not have rooftop solar. Accordingly, for purposes of equity, Hawaiian Electric recommends that the forfeiture feature of the NEM program continue as originally designed, since all customers benefit from this feature of the program. In other words, if the forfeiture feature is terminated, then only customers who have rooftop solar would benefit, and that benefit would be paid for by all other customers, which would exacerbate equity issues already associated with the NEM program and which justified its closure. Other DER tariffs and the Company's new Smart DER tariff also have forfeiture provisions, which the Commission has found to be a fair manner in which to administer customer generation programs.

For all of these reasons, Hawaiian Electric opposes SB 202. Thank you for this opportunity to testify.

To: The Senate Committee on Energy and Intergovernmental Affairs (EIG)
From: Sherry Pollack, 350Hawaii.org
Date: Tuesday, February 4, 2025, 3:02pm

In strong support of SB202

Aloha Chair Wakai, Vice Chair Chang, and members of the EIG committee,

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 SB202** that requires electric utilities to compensate electricity producers for excess electricity credits, a policy that is called net energy metering.

Net energy metering has been a major driver to boost renewable energy adoption. Net energy metering incentivizes individuals to install solar panels, making it more financially attractive for people to contribute to a greener energy grid, by allowing them to offset their electricity usage with the clean power they produce themselves. By doing so, they reduce reliance on fossil fuels and promote cleaner electricity generation on a wider scale, contributing to a healthy environment and climate by reducing greenhouse gas emissions and air pollution.

Essentially, through net energy metering, instead of utility companies taking on the full burden of renewable energy production, average consumers can support the cause as well. During the day, most solar customers produce more electricity than they consume; net energy metering allows them to export that power to the grid and reduce their future electric bills. The more homes and businesses using electricity from their solar energy system rather than from the grid, the utility won't have to transmit as much power through the grid.

Additionally, net energy metering provides substantial economic benefits in terms of jobs, income, and investment. Net energy metering increases demand for solar energy, which in turn creates jobs for the installers, electricians, and manufacturers who work in the solar supply chain. When Hawaii had a net energy metering program in place, the solar market was extremely robust, experiencing a high rate of solar adoption across the state. Hawaii's solar industry was one of the fastest growing markets in the nation. However, the utility company pushed to end net energy metering. When net energy metering was ended, it disincentivized residents from adopting solar energy, causing a significant decline in the solar market, resulting in major job losses, not to mention, progress in our goals to decarbonize.

It is unfortunate that many utilities do not view customer-owned solar power as the incredible resource it is. To them it means the customer buys less electricity. As a result, a well-funded campaign by these utilities that targets net energy metering was launched across the country. However, what utility companies don't like to admit is that net energy metering helps manage demand and reduces strain during peak usage times for utilities, contributing to a more stable and resilient energy supply. By encouraging generation near the point of consumption, net energy metering also reduces the strain on distribution systems and prevents losses in long-distance electricity transmission and distribution.

There are several myths targeting net energy metering that it is important for lawmakers to be aware of.

Myth 1: Net energy metering is unfair to non-solar users

The claim that net energy metering is unfair to non-solar users often centers on the misrepresentation that it results in cost shifting, where non-solar customers pay higher utility costs to cover the incentives provided to solar users, as well as for upkeep of the electric grid.

Truth: Numerous independent studies have contradicted this claim, including a Brookings Institution report which found net energy metering "frequently benefits all ratepayers when all costs and benefits are accounted for." A study from the Lawrence Berkeley National Lab concluded that cost-shifting would occur only when there are higher rates of solar penetration than are seen in most states, and even then, any effects on retail electricity prices would be "**quite small compared to many other issues**." The Lawrence Berkeley National Lab further found that the benefits solar users contribute to the grid (e.g., reduced need for electricity generation and transmission, environmental benefits) can offset any perceived cost shifts. Moreover, solar installations help reduce peak load demand, which can lower electricity costs for all customers by reducing the need for expensive peak power generation.

Myth #2: Net energy metering raises electricity rates.

Truth: While it is true that utilities sometimes pay a premium for electricity generated from private solar panels, the assumption that this will drive up rates is simply false. The biggest contributing factors to electric rate increases are volatile fossil fuel prices and grid infrastructure investment. Solar actually helps to stabilize both, thus assisting to keep rates stable. Many studies, including one commissioned by the Nevada Public Utilities Commission in 2014, indicate that net energy metering does not threaten overall electric rates and does not give solar owners an unfair advantage over those who do not have panels on their homes.

Myth #3: Net energy metering benefits only the rich.

Truth: Actually, solar is largely a middle-class phenomenon. Net energy metering is one of the things that makes solar affordable for these homes.

Additionally, policies supporting equitable access programs can further this trend, reducing the disparity between solar and non-solar users. The Hawaii Green Infrastructure Authority and the GEM$ program which provides low-interest loans to low- and moderate-income families is one example of efforts to expand solar accessibility.

Myth #4: Solar panel owners are leeches on the system.

Truth: One of the biggest objections to net energy metering is the claim that solar homeowners don't contribute to maintenance and upkeep of the grid. In reality, this idea couldn't be farther from the truth, for two reasons:

1. Adding private sources of solar power to the mix typically reduces costs for the utility companies because of reduced need for infrastructure and reduced line loss. It also contributes to grid resilience.
2. Solar panel owners assume responsibility for their portion of the grid, including installation and maintenance. These are costs the utility companies don't have to bear.

It's important to recognize that solar power and net energy metering benefit society as a whole, not just specific individuals or communities. Shifting a greater portion of our electricity generation to solar, helps keep our air clean, and it is one of the best tools to mitigate global heating. It also stabilizes the electrical grid and makes us more resilient in the face of natural disaster.

Reinstating net energy metering will help Hawaii reap multiple benefits, not the least of which is mitigating the climate crisis. Hawaii will not be able to reach its carbon reduction goals if we do not enact effective policies that support these outcomes. Net energy metering is a proven strategy that will significantly aid Hawaii in achieving this critically important goal.

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

Sherry Pollack
Co-Founder, 350Hawaii.org

SB-202
Submitted on: 2/3/2025 2:59:29 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Dave Mulinix	Testifying for Greenpeace Hawaii	Support	Remotely Via Zoom

Comments:

Aloha EIG Chair Wakai, Vice Chair Chang, and Committee Members DeCoite, Fevella, Richards,

My name is Dave Mulinix, Representative of Greenpeace Hawaii. On behalf or our thousands of members and supporters in the state of Hawaii we stand in STRONG SUPPORT of SB202 Requiring electric utilities to compensate electricity producers for excess electricity credits.

First we want to mahalo SB202 sponsors Senator Fevella and Senator Chang for having the vision and appreciation for how Net Energy Metering began to substantially lower carbon emissions in Hawaii, and could continue to do so if reinstated.

The Benefits of Net Energy Metering Include:

Reduced Energy Bills: Net Energy Metering can significantly reduce energy costs. By using the excess energy generated during sunny days to offset nighttime or cloudy day consumption, families can cut their electricity bills dramatically.

Economic Incentive for Solar Adoption: Net Energy Metering provides a strong economic incentive for families and businesses to invest in solar panels. It helps recover the upfront cost of solar panel installations by crediting excess electricity at the retail rate.

Environmental Impact: Harnessing solar energy through net metering reduces the need for electricity generated from fossil fuels, which, in turn, helps reduce greenhouse gas emissions and air pollution. It's a win for the environment and the climate.

Grid Stability: Net Energy Metering contributes to grid stability by efficiently using locally generated renewable energy. It reduces the strain on the grid during peak demand periods.

Energy Independence: Net Energy Metering empowers individuals and communities to take control of their energy production and consumption, fostering a sense of energy independence.

Despite all these benefits, there are detractors who spread false narratives that Net Energy Metering represents a net cost shift from solar-owning households to others.

A case in point, a Brookings Institution report "Rooftop solar: Net metering is a net benefit" reviewed multiple studies on this exact question and found that the "accumulating national literature on costs and benefits of net metering...increasingly concludes— whether conducted by PUCs, national labs, or academics — that the economic benefits of net metering actually outweigh the costs and impose no significant cost increase for non-solar customers. Far from a net cost, net metering is in most cases a net benefit—for the utility and for non-solar rate-payers."

The report documents that regulators in at least 10 states had conducted studies to develop methodologies to value distributed generation and net metering, while other states conducted less formal inquiries, ranging from direct rate design or net-metering policy changes to general education of decision-makers and the public. And there is a degree of consensus. What do the commission-sponsored analyses show? A growing number show that net metering benefits all utility customers.

Link to Brookings Institution report "Rooftop solar: Net metering is a net benefit":
https://www.brookings.edu/articles/rooftop-solar-net-metering-is-a-net-benefit/

Some highlights of the report include:

In 2013 Vermont's Public Service Department conducted a study that concluded that "net-metered systems do not impose a significant net cost to ratepayers who are not net-metering participants." The legislatively mandated analysis deemed the policy a successful component of the state's overall energy strategy that is cost effectively advancing Vermont's renewable energy goals.

In 2014 Minnesota's Public Utility Commission approved a first-ever statewide "value of solar" methodology which affirmed that distributed solar generation is worth more than its retail price and concluded that net metering undervalues rooftop solar.

Another study commissioned by the Maine Public Utility Commission in 2015 concludes that solar power provides a substantial public benefit because it reduces electricity prices due to the displacement of more expensive power sources, reduces air and climate pollution, reduces costs for the electric grid system, reduces the need to build more power plants to meet peak demand, stabilizes prices, and promotes energy security. These avoided costs represent a net benefit for non-solar ratepayers.

The report goes on to say generally positive PUC conclusions about the benefits of net metering have been supported by research done by a national lab and several think tanks. Important lab research has examined how substantially higher adoption of distributed resources might look.

In a forward-looking analysis of the financial impacts of net-metered energy on utilities and ratepayers, Lawrence Berkeley National Lab found that while high use of net-metered solar generation may decrease utility shareholders' earnings, it will have a "relatively modest" impact on ratepayers.

Similarly, a growing number of academic and think tank studies have found that solar energy is being undervalued and that it delivers benefits far beyond what solar customers are receiving in net-metering credits:

For instance, a review of 11 net metering studies by Environment America Research and Policy Center has found that distributed solar offers net benefits to the entire electric grid through reduced capital investment costs, avoided energy costs, and reduced environmental compliance costs. Eight of the 11 studies found the value of solar energy to be higher than the average local residential retail electricity rate:

A 2015 cost-benefit study of net metering in Missouri by the Missouri Energy Initiative found that even accounting for increased utility administrative costs and the shifting of some fixed expenses, net metering is a net benefit for all customers regardless of whether they have rooftop solar.

In short, while the conclusions vary, a significant body of cost-benefit research conducted by PUCs, consultants, and research organizations provides substantial evidence that net metering is more often than not a net benefit to the grid and all ratepayers.

As we can see that Net Energy Metering benefits everyone in Hawaii.

Please pass SB202.

Mahalo for your kind attention,

Dave Mulinix, CoFounder & Hawaii State Representative

SB-202
Submitted on: 2/1/2025 9:49:57 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
tia pearson	Individual	Support	Written Testimony Only

Comments:

The measure allows customers to be fairly compensated for using their solar and battery systems to support the utility grid. Net metering allows customers to essentially "credit" their electricity bill by feeding excess electricity generated from their solar panels back into the grid.

It's quite logical that compensating those that you are taking from is correct. Stealing is not correct.

SB-202
Submitted on: 2/1/2025 9:58:38 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Tamra Hayden	Individual	Support	Written Testimony Only

Comments:

I support SB202 This bill encourages customers to have a battery solar storage system. Being able to sell back to HECO stored electricity is a bonus to lower a customers' electricity bills. Especially since Hawai'i has the highest energy bills in the United States. It also promotes people putting solar in, which puts Hawai'i closer to meet our renewable goals. It also strengthens our grid. Please pass this bill that is advantageous to Hawai'i's people and the States goals Mahalo Nui Loa.

SB-202
Submitted on: 2/2/2025 10:23:59 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support. Thank you.

SB-202
Submitted on: 2/2/2025 10:32:25 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Committee Members,

I am writing to respecfully ask that you support SB202 which would allow customers to be fairly compensated for using their solar and battery systems to support the utility grid.

Thank you for your attention and consideration.

Melissa Barker

Kapaa, HI

SB-202
Submitted on: 2/2/2025 11:48:42 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Georgia L Hoopes	Individual	Support	Written Testimony Only

Comments:

SB202 STRONGLY SUPPORT

Aloha Senators. I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

Mahalo for your consideration!

Georgia Hoopes, Kalaheo

SB-202
Submitted on: 2/2/2025 12:20:03 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniela Escontrela	Individual	Support	Written Testimony Only

Comments:

i strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

-- I strongly support SB202 that requires net metering, a policy that requires electric ut
o support the utility grid when their monthly solar electricity production surpasses thei

-- Net metering allows utility customers to generate their own electricity cleanly and ef
hey consume; net metering allows them to export that power to the grid and reduce th

-- Net metering provides substantial economic benefits in terms of jobs, income and in
creates jobs for the installers, electricians, and manufacturers who work in the solar s

-- Unfortunately, some utilities perceive net metering policies as lost revenue opportun
electricity and allow utilities to better manage their peak electricity loads. By encourag
strain on distribution systems and prevents losses in long-distance electricity transmis

-- Net metering is a proven, effective way to incentivize renewable energy adoption.

SB-202
Submitted on: 2/2/2025 12:54:29 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

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

Comments:

SB202 will likely accomplish some measure of energy conservation given that some NEM customers are apparently (stupidly) burning up their excess credits at the end of the year by running their air-conditioning with lights on and doors and windows open, just to prevent HECO from profiting by eliminating their credits. However, since this applies only to NEM customers, and the NEM program is closed to further enrollment, we cannot expect substantial gains from this. What is really needed is a measure to require HECO to open a new program that will compensate rooftop producers for power fed into the grid at a rate adequate to incentivize customers to add rooftop solar. That rate would not have to be 100% of retail, but would have to be higher than HECO's current compensation rates to attract any substantial number of customers to invest in rooftop solar.

SB-202
Submitted on: 2/2/2025 3:50:27 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Alana Hart	Individual	Support	Written Testimony Only

Comments:

I strongly Support SB202 and net metering requirements. Electricty companies should fairly compensate customers who generate and store energy from solor panels and home batteries. Solar customers produce more electricity than they consume on long sunny days; net metering allows them to export that power to the grid and reduce their electric bills. This is a necessary policy that will aid in wider adoption of climate-ready energy distribution and storage. I strongly urge the State to pass this legislation and continue to build a resilient Hawaii.

Mahalo for the opportunity to testify,

Alana Kaunaloa Hart

SB-202
Submitted on: 2/2/2025 5:12:31 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Alana Wesly	Individual	Support	Written Testimony Only

Comments:

I support this bill for the sustainability of Hawaii.

SB-202
Submitted on: 2/2/2025 6:54:18 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

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

Comments:

-- I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

-- Net metering allows utility customers to generate their own electricity cleanly and efficiently. During the day, most solar customers produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills.

-- Net metering provides substantial economic benefits in terms of jobs, income and investment. Net metering increases demand for solar energy, which in turn creates jobs for the installers, electricians, and manufacturers who work in the solar supply chain.

-- Unfortunately, some utilities perceive net metering policies as lost revenue opportunities. In fact, net metering policies create a smoother demand curve for electricity and allow utilities to better manage their peak electricity loads. By encouraging generation near the point of consumption, net metering also reduces the strain on distribution systems and prevents losses in long-distance electricity transmission and distribution.

-- Net metering is a proven, effective way to incentivize renewable energy adoption.

SB-202
Submitted on: 2/2/2025 7:35:48 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Noel Morin	Individual	Comments	Written Testimony Only

Comments:

Dear Chair Wakai, Vice-Chair Chang, and members of the Committee,

As written, SB202 will harm consumers and may only further energy inequity in Hawai‘i.

I am familiar with Net Metering as I invested in rooftop solar many years ago. A subsequent system installation on my home required batteries to mitigate the impact of the excess solar energy generation during the day. While this program (NEM+) resulted in additional costs, it provided my family with emergency backup power, from which we have benefitted.

There have been many iterations of the programs governing the installation of rooftop PV in HECO territory over the past decade. The latest allows for solar and storage solutions that improve the expansion of renewable energy – Smart Renewable Energy programs* allow for solar PV and storage installation with options to export energy to the grid with compensation rates based on grid energy demand. (This Time-of-Use rate is brilliant as it enables equity.) Homeowners may also avoid exporting altogether with a system sized to manage their energy demand.

Homeowners with financial means can afford an energy system with PV and battery today and be able to use all the electrons produced by their system. They can also benefit from access to power during grid outages.

Energy Equity Considerations

SB202 appears to restore the decade-old Net Metering regime, which will require additional grid investment by all ratepayers to mitigate grid stability issues that can be brought about by over-generation during peak solar production.

This can result in higher utility bills for customers who don’t have rooftop solar. We can expect that many low-moderate income (LMI) households, those who rent, and those in condos and apartments will not be able to benefit from this regime and will essentially subsidize the program through higher utility bills.

Solving the Problem

SB202 conveys a problem statement in SECTION 1."… *current state policies do not adequately incentivize homeowners to conserve or produce more energy at their residences."*

Recommendation: Invest in community awareness campaigns to increase the adoption of existing energy efficiency programs.

Several State and Federal programs are designed to reduce energy (electricity and liquid fuel) consumption and encourage renewable energy investment by households and businesses. These include:

- Hawai'i Energy - Rebates for Homes - https://hawaiienergy.com/for-homes/
- Hawai'i Energy – Rebates for Businesses - https://hawaiienergy.com/for-business/
- Hawai'i EV Incentives – https://hawaiiev.org/hawaii-incentives
- Federal EV and Charging Station Incentives - https://hawaiiev.org/federal-incentives

Importantly, Federal and State tax incentives exist for installing Solar PV and battery solutions.

Recommendation: Increase incentives that enable energy equity

Given the advertised pullback on Federal incentives for clean energy and transportation, it behooves us to focus on increasing State incentives designed to improve local investment in clean energy, energy efficiency, and the electrification of transportation.

Let's also focus on solutions that address the inequities in the system. Investment in Community Solar, for instance, will enable more households to enjoy lower-cost electricity, including those unable to benefit from rooftop solar. Another example is to focus rebates or refundable tax credits on LMI households.

Recommendation: Expand investment in alternatives to solar, wind, and chemical batteries.

Solar, wind, and stationary batteries are critical to our energy transition. However, they are insufficient due to several limitations – supply change dependence, intermittency, real estate constraints, and the scope of Hawai'i's energy demand, including that of transportation.

To accelerate our progress and meet energy and decarbonization goals, we must expand solutions already within reach - geothermal, ocean (wave and thermal energy), and gravity storage solutions. We must also understand the next-generation energy solutions – smart grids, deep geothermal energy, green hydrogen, vertical axis wind, and advanced nuclear.

Thank you for the opportunity to testify.

Noel Morin

Climate, Sustainability, and Resilience Advocate

Hilo, Hawai‘i

*HECO Smart Renewable Energy Programs - hawaiianelectric.com/products-and-services/smart-renewable-energy-programs

SB-202
Submitted on: 2/2/2025 7:38:20 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Patrice Choy	Individual	Support	Written Testimony Only

Comments:

I strongly support SB202 that requires net metering.

SB-202
Submitted on: 2/2/2025 7:47:37 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Noreen Dougherty	Individual	Support	Written Testimony Only

Comments:

My name is Noreen Dougherty, a Kauai resident for almost 50 years.

I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption. This bill is fair and reasonable and a great example of empowering the people and the electric company to work in partnership.

Noreen Dougherty Kapaa, Kauai

SB-202
Submitted on: 2/2/2025 8:14:49 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Dylan Okihiro	Individual	Support	Written Testimony Only

Comments:

I support bill SB202 to compensate consumers for providing their generated electricity to the public grid. In addition, this bill would also incentivise homeowners to switch to renewable energy to lower their energy bills and to potentially receive credit back.

SB-202
Submitted on: 2/2/2025 9:27:43 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Marion McHenry	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill. Net metering reduces the strain on distribution systems and is also a way to incentivize renewable energy options and increase solar energy generation.

SB-202
Submitted on: 2/3/2025 1:09:49 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Katherine Fryer	Individual	Support	Written Testimony Only

Comments:

I strongly support the SB202 net metering bill. This measure requires electric utilities to compensate solar panel users fairly for exporting their surplus electricity back into the grid.

When Hawaii previously allowed net metering, it successfully helped to incentivize the adoption of renewable sources like solar power by allowing homeowners to receive credit for the electricity they generate and send back to the grid. This reduced electricity bills and promoted cleaner energy with less reliance on fossil fuels. Net metering also helps to stabilize the grid by injecting power during peak demand periods and minimizing transmission losses by generating electricity closer to where it is consumed.

SB-202
Submitted on: 2/3/2025 5:46:48 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Best	Individual	Support	Written Testimony Only

Comments:

Net metering encourages use of solar panels. We need to encourage this for the sake of jobs and the environment.

Mahalo

Bill and Bobbie Best, Wailuku

SB-202
Submitted on: 2/3/2025 8:53:58 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Gorman-Chang	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Chair and Committee Members,

I am in strong support of SB 202. Net metering for solar panel owners has proven to be a encouragment for owners of residential properties to install solar panels. Without net metering the owner of a property must purchase at additional cost battery back ups, to get the full cost savings benefit, which further adds to the overall price of going solar. The net metering would open up the installation of solar panels to more individuals as it becomes even more cost effective.

SB-202
Submitted on: 2/3/2025 9:15:41 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
David Durazzo	Individual	Support	Written Testimony Only

Comments:

I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

Net metering allows utility customers to generate their own electricity cleanly and efficiently. During the day, most solar customers produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills.

SB-202
Submitted on: 2/3/2025 9:36:28 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Karin Hoida	Individual	Support	Written Testimony Only

Comments:

I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

Net metering allows utility customers to generate their own electricity cleanly and efficiently. During the day, most solar customers produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills.

Net metering provides substantial economic benefits in terms of jobs, income and investment. Net metering increases demand for solar energy, which in turn creates jobs for the installers, electricians, and manufacturers who work in the solar supply chain.

Unfortunately, some utilities perceive net metering policies as lost revenue opportunities. In fact, net metering policies create a smoother demand curve for electricity and allow utilities to better manage their peak electricity loads. By encouraging generation near the point of consumption, net metering also reduces the strain on distribution systems and prevents losses in long-distance electricity transmission and distribution.

Net metering is a proven, effective way to incentivize renewable energy adoption.

SB-202
Submitted on: 2/3/2025 9:47:15 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Ann V Saffery	Individual	Support	Written Testimony Only

Comments:

Aloha,

Strong support for SB202

Mahalo for all you do and your consideration,

Ann V Saffery

SB-202
Submitted on: 2/3/2025 10:02:54 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Regina Gregory	Individual	Support	Written Testimony Only

Comments:

support

SB-202
Submitted on: 2/3/2025 10:12:39 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Brianna Lloyd	Individual	Support	Written Testimony Only

Comments:

My household installed solar panels on our house three years ago. Because we live in a sunny area, we are often supplying energy to the grid during daylight hours. We do benefit from HECO‘s CGS plus program, but I strongly support SB202 that requires net metering. It would allow us to export our additional power to the grid with greater reduction in our electric bills. SB202 would also offer a strong incentive to consider installing more solar panels on our roof in the future. I believe it would also incentivize other homeowners to include solar on their own homes.

SB-202
Submitted on: 2/3/2025 10:25:52 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Ken Takeya	Individual	Support	Written Testimony Only

Comments:

When the net metering system first came out, I investigated it and received assistance from the Energy Conservation office at K-Bay to figure out how many solar panels I would need. As it turned out I could not afford to cover the entire electric bill so I purchased what I could afford. At the time we had five people in our home. Since my wife passed the beginning of last year and my sons moved out, my panels have been feeding more into the grid than I am using. I have a monetary credit of $677 that I am about to lose in accordance with the Net Metering agreement I signed. This is not a lot of money, but I feel it is money HECO is receiving yet they still charge me $28.98 every month for a service charge. It seems I am paying HECO a service charge to give them free electricity.

SB-202
Submitted on: 2/3/2025 10:50:22 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Latham	Individual	Support	Written Testimony Only

Comments:

Please support this bill - it will help our state move toward renewables more quickly by incentivizing homeowners. We need to reduce our reliance on fossil fuels as fast as we can. Mahalo for your support.

SB-202
Submitted on: 2/3/2025 10:51:52 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
nicole tergeoglou	Individual	Support	Written Testimony Only

Comments:

I support SB202

SB-202
Submitted on: 2/3/2025 11:15:45 AM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Elena Vorm	Individual	Support	Written Testimony Only

Comments:

I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

This would incentivize individuals to participate in more sustainable practices.

SB-202
Submitted on: 2/3/2025 1:27:25 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Lawson	Individual	Support	Written Testimony Only

Comments:

There are many benefits for individual households during a time of high cost of living, and changing environemnts due to climate change. Electric companies should not be thinking of their net profits, their priorities should be with serving the public and working with changing times.

I strongly support SB202 that requires net metering, a policy that requires electric utilities to compensate customers fairly for using their solar and battery systems to support the utility grid when their monthly solar electricity production surpasses their utility electricity consumption.

Net metering provides substantial economic benefits in terms of jobs, income and investment. Net metering increases demand for solar energy, which in turn creates jobs for the installers, electricians, and manufacturers who work in the solar supply chain. These are the jobs that will need to be filled by our younger generations, and the whole community should be supporting the development.

Thank you for reading my testimony.

LATE

SB-202
Submitted on: 2/3/2025 10:06:01 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Awai	Individual	Support	Written Testimony Only

Comments:

Please support SB202 Energy renewable. As a longtime resident of our islands, I have difficulty paying for utility costs that I have little control of liviing in senior accommodations. Every year I need to request for LiHEAP, which in previous years took a while before state workers could give us although HCAP has only a few months to gather and process. But even with this supplement at the end or the beginning of the following year, I have difficulty paying and surviving in Hawaii. In a community that is run by Indigo Properties, I felt discriminated against because of a label that I did not deserve and was shared among the residents by the former Community Director, Kathy McAlister, who was ignorant and didn't care about laws federal or local, such as American with Disability Act, or the HIPAA protection of sharing medical information, or even our Constitutional rights.

My air conditioner was broken and would turn itself on and off by itself, increasing my electricity use substantially during the summer months. I had no control of it and would be sweating in the day heat and freezing at nights. Although I had asked for maintenance to fix it, the air conditioner repairer was not called till months later and the units to replace them was not in store. A neighbor that had lived next to me had 3 fans on him, when he died in his apartment, because McAlister refused to fix his airconditioner. But when a new tenant who she like moved in, everything including the plants replaced the dying roots and mud due too much water from irrigation.

A resident had fallen outside due to slime that had built up on the sidewalk, but maintenance were told not to do anything until the sprinklers were fixed. The very next day, the sprinklers were adjusted, but the fallen resident had spent the day in the Emergency Room with months of rehabilitation with no apology or condolences expressed by McAlister.

Sadly we live in a low income senior community that residents are afraid to speak up in fear of being kicked out by management. Other residents have been spreading gossip having been fueled by issues created by McAlister and blame the current younger management. But Le Don, the Indigo manager who hired McAlister supports much of the gossip and discrimination, even against her own Community Director. Although our Community Center is run by solar energy, residents grumble about the use of lights or when we watch the television or use the kitchen utilities. I do apologize for the extended testimony but want you to realize what many senior local residents go through with property managers who want to profit in our islands.

LATE

SB-202
Submitted on: 2/3/2025 11:40:20 PM
Testimony for EIG on 2/4/2025 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Luke	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, VChair, and members of the committee,

I wholeheartedly support SB202. I would also support having HECO pay homeowners and long-lease holders to be able to install solar on their rooftops.

Mahalo for your work on renewable energy.

Aloha,

Karen Luke

Early adopter in Ewa Beach

Kauaʻi Island Utility Cooperative
Your Touchstone Energy® Cooperative

Testimony Before the Senate Committee on Energy and Intergovernmental Affairs

By David Bissell
President and Chief Executive Officer
Kauaʻi Island Utility Cooperative
4463 Paheʻe Street, Suite 1, Līhuʻe, Hawaiʻi, 96766-2000

LATE

Tuesday, February 4, 2025; 3:02 pm
Conference Room #016 & Videoconference

Senate Bill No. 202 – RELATING TO RENEWABLE ENERGY

To the Honorable Chair Glenn Wakai, Chair, Vice Chair Stanley Chang, and Members of the Committee:

Kauaʻi Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC opposes this measure.

Over the past 10 years, KIUC has significantly increased its renewable generation. In 2010, KIUC's energy mix included 10% renewable. Over the past five years, renewable production on Kauaʻi has averaged between 50% and 70%. KIUC's renewable mix currently includes biomass, biofuels, hydropower, utility-scale solar, utility-scale paired with battery energy storage systems (BESS), and distributed (rooftop) solar. Due in large part to the integration of utility-scale solar projects, KIUC's rates have moved from being the highest in the state to being the lowest, or among the lowest in the state since May 2022.

Specific to its solar generating capacity, KIUC currently has 119.7 megawatts of total solar generating capacity: roughly 35% of which comes from rooftop solar. The number of rooftop solar systems on Kauaʻi has risen from 388 in 2010 to more than 6,500 today. Of that total, 2,100 have batteries. In 2024 KIUC members added 498 new rooftop solar systems with 323 members adding a battery storage component to either new or existing systems.

KIUC's Tariff No. 1 governs the Net Energy Metering Pilot Program, in which 263 KIUC customers are enrolled. Contrary to the premise of this bill, KIUC's NEM program does compensate enrolled customers for kilowatt hours they have produced but not used at the end of the year. The applicable Tariff provision reads:

> *Any billing credits not used to offset amounts owed to the Company will be carried over to the following month's bill(s) and will continue to be available to offset monies owed to the Company; provided, however, that for any unused or carried-over credits that remain unused at the end of a calendar year, the Participant will have until January 31 of the following year to submit to the Company a written notice that Participant desires to either (1) continue to carry over the unused credits to the following calendar year, or (2) request for payment for any of these unused credits at the applicable rate of $0.20/kWh. If no such notice is provided within the specified time period, then the Company shall have the discretion of either (1) carrying over such credits to the next*

calendar year, or (2) paying the Participant for the amount of such credits at the applicable rate of $0.20/kWh.

We recognize the important role the NEM program played in "jumpstarting" the growth of distributed solar in the State of Hawaiʻi, and we feel these customers are currently fairly compensated for their contribution to KIUC's energy mix. We oppose the provisions of this bill requiring utilities to compensate NEM customers at full retail rates. KIUC believes the established credit rate of $0.20 per kWh is fair compensation for NEM customers. This rate is generally higher than that paid to Schedule Q customers (those who export power but are not part of the NEM program), and is significantly higher than rates paid to utility-scale independent power producers. Below is a comparison of rates paid in January 2025:

- ✓ AES Lāwaʻi solar plus storage: $0.11 per kWh
- ✓ AES PMRF solar plus storage: $0.1085 per kWh
- ✓ Schedule Q customer energy credit payment rate: $0.15993 per kWh *(Schedule Q rates are equivalent to the rate paid to KIUC's other non-renewable fueled energy, otherwise known as "avoided cost")*
- ✓ NEM customer credit payment rate: $0.20 per kWh

Requiring NEM customers to be compensated at retail rates would substantially increase the subsidy already being paid to NEM customers by non-NEM customers, which we feel creates an unacceptable inequity within our customer base.

In the event this legislation progresses, KIUC would recommend that member-owned electric cooperatives be exempted from its provisions.

Mahalo for the opportunity to comment.