

JOSH GREEN, M.D. GOVERNOR | KE KIA'ĂINA

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ÄINA STATE OF HAWAII | KA MOKUʻĀINA 'O HAWAI'I OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KA 'OIHANA PILI KĀLEPA 335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: (808) 586-2850

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#### **Testimony of the Department of Commerce and Consumer Affairs**

Fax Number: (808) 586-2856 cca.hawaii.gov

Before the Senate Committee on Ways and Means Thursday, February 27, 2025 10:26 a.m. Conference Room 211

#### On the following measure: S.B. 589, S.D. 1, RELATING TO RENEWABLE ENERGY

#### WRITTEN TESTIMONY ONLY

Chair Dela Cruz 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 on this bill.

The purpose of this bill is to: (1) authorize retail wheeling of renewable energy and requires the Public Utilities Commission (Commission) to establish policies and procedures to implement retail wheeling and microgrid service tariffs; and (2) ensure that fair compensation is provided for solar and energy storage exports.

The Department appreciates the bill's intent to support the State's ability to install renewable energy facilities, ensure fair compensation for renewable energy facilities in the form of distributed energy resources (DERs) and facilitate DER participation in the grid to the full extent of their capabilities.

Testimony of DCCA S.B. 589, S.D. 1 Page 2 of 2

The Department appreciates that the amended language of S.D. 1 of this bill takes into account Hawaiian Electric's established goal of installing fifty thousand customersited DERs in the State by 2030 and requires that fair compensation for solar and energy exports and grid services to be credited at a rate to be established by the Commission. The Department notes that the issues of fair compensation and developing tariffs to maximize the participation of DERs into the grid are a currently an on-going and active component of the Commission's Docket No. 2019-0323.

On the issue of establishing retail wheeling, on July 1, 2024, the Commission opened a proceeding to investigate electricity wheeling policies and procedures (i.e., Docket No. 2024-0200). As set forth in Commission Order No. 40879 initiating the investigation, the first three phases of the docket would involve stakeholder outreach to scope the initial focus for intragovernmental wheeling and specific docket proceedings (including an intervention period) resulting in a decision by November 2025 establishing intragovernmental wheeling policies and procedures if the Commission determines such to be in the public interest. With the lessons learned during these early phases the Commission states that such lessons will be applied to subsequent phases to implement an intragovernmental wheeling policy and explore retail wheeling. In its latest Monthly Status Update, issued on February 13, 2025, the Commission indicated that it is entering the second phase of the proceeding and shared responses provided to its questionnaire regarding Intragovernmental Electricity Wheeling. There are currently three more stakeholder meetings anticipated by September 2025.

In view of the foregoing, the Department respectfully offers that the Commission be allowed to move forward and complete the work set forth in Docket No. 2024-0200.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR



STATE OF HAWAII PUBLIC UTILITIES COMMISSION 465 S. KING STREET, #103 HONOLULU, HAWAII 96813

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#### LEODOLOFF R. ASUNCION, JR. CHAIR

NAOMI U. KUWAYE COMMISSIONER

COLIN A. YOST COMMISSIONER

Website: puc.hawaii.gov E-mail: puc@hawaii.gov

#### **Testimony of the Public Utilities Commission**

To the Senate Committee on Ways and Means

February 27, 2025 10:26 a.m.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Measure:	S.B. No. 589, S.D. 1
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 promote increased renewable energy production by encouraging customer investments in distributed energy resources ("DER"), particularly solar plus storage systems. The Commission supports examination of diverse measures that would promote the production of clean electricity and understands that generators of renewable energy play an important role in the State's transition to renewable energy and should be fairly compensated for the energy exports and grid services they provide.

To determine fair compensation, the Commission oversees a collaborative process with the utility, the consumer advocate, and other stakeholders that relies on extensive analysis to determine the value that distributed energy exports provide to the grid. This process has determined that the value that distributed energy exports provide to the grid is typically lower than the retail rate. The Commission has also explored the value of resiliency, capacity, and ancillary services through this process, but it remains challenging to determine a precise quantitative figure for these benefits. The Commission also notes that the value of distributed energy exports will evolve during the renewable energy transition. For Hawaiian Electric's programs, the Commission has established an 'update framework' that requires regular review of the compensation rate for distributed energy exports and a mechanism to update the program every three years to ensure that the S.B. No. 589, S.D. 1 Page 2

programs are meeting the above goals and to continue to refine compensation for resiliency and other benefits.

Establishing the compensation rate for distributed energy exports through statute may limit the Commission's ability to investigate the role of distributed energy in the State and design programs to meet the above objectives. Additionally, the Commission emphasizes that it is important to understand the impact of this measure on non-participating ratepayers. A potential increase in export credits may cause non-participating ratepayers to bear a larger energy burden, which is an important consideration for the Commission. The Commission also notes that a definition of "full retail rate" in the context of this measure would need to be clarified, as there could be conflicting interpretations.

Regarding the Commission establishing a retail wheeling tariff, the Commission notes that electricity wheeling requires an examination of many complex and interrelated issues to ensure reliability and cost-effectiveness, such as interconnection, availability of transmission and distribution capacity, appropriate rates and rate design, back-up power requirements, amongst others. As discussed during the 2024 Legislative session, the Commission agreed to open a docket to investigate whether electricity wheeling is in the State's public interest.

In July 2024, the Commission opened Docket No. 2024-0200 to prompt feedback from key stakeholders regarding the feasibility of electricity wheeling in Hawaii and will determine whether intragovernmental wheeling, as part of the initial stage, is in the public interest. This would be followed by a report to the Legislature no later than twenty days prior to the convening of the regular 2026 Legislative session. However, should this measure pass as currently drafted (with a report due to the Legislature before the 2027 session), the intent is to then shift this investigation to other forms of wheeling, including retail wheeling. Authorizing retail wheeling in statute prior to closing the Commission's open investigation regarding electricity wheeling, may deter from the intent of this measure to provide fair compensation mechanisms for distributed energy resource exports while enhancing grid reliability and resilience.

As detailed above, the Commission welcomes the integration of renewable energy into the built environment, such as parking shade structures and rooftops of State facilities. The following ongoing proceedings have identified and tailored compensation mechanisms for renewable energy generators that State departments and agencies are eligible to pursue:

 Docket No. 2019-0323 is the Commission's docket for distributed energy resources, which has established compensation structures for customer-sited renewable energy generation, such as solar and storage, connected to Hawaiian Electric's grid to help serve customer resilience and meet grid needs. The newest programs remove system size limits and encourage the development of larger renewable energy systems.

- Docket No. 2015-0389 is the Commission's docket focused on developing community-based renewable energy ("CBRE") programs, which allow subscribers to receive benefits for "shared solar" installations that are not customer-sited. This proceeding has resulted in over 4 megawatts of shared solar installations, with several additional projects under review or construction.
- Docket No. 2018-0163 is the Commission's Microgrid docket, through which the Commission has established a microgrid services tariff containing rules for two types of microgrids: hybrid microgrids, in which customers may combine customer-sited equipment with utility-owned infrastructure, and customer microgrids, where a customer's infrastructure is exclusively used to supply all their own electricity needs during emergencies.

As a result of these ongoing efforts, at this time the Commission offers to file a report with the legislature by the start of the 2026 Legislative session. However, as stated above, should this measure pass in its current form, the Commission will submit its report to the Legislature before the start of the 2027 Legislative session. In this report, the Commission will address the objectives and requirements outlined in this measure.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA CHAIR

GWEN S YAMAMOTO LAU EXECUTIVE DIRECTOR

Testimony of Gwen Yamamoto Lau Executive Director Hawaii Green Infrastructure Authority before the Senate Committee on Ways and Means Thursday, February 27, 2025, 10:26 AM State Capitol, Conference Room 211 in consideration of Senate Bill No. 589, SD1 RELATING TO RENEWABLE ENERGY

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

Thank you for the opportunity to testify in support of SB589, SD1 which requires the Public Utilities Commission to implement retail wheeling and microgrid service tariffs and ensures fair compensation for distributed energy resources.

This measure provides an additional economic incentive which is in 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, ensuring fair compensation increases the cost-effectiveness of said installations and helps underserved ratepayers lower their energy burden through the Hawaii Green Infrastructure Authority's (HGIA) financing program.

HGIA defers to the Public Utilities Commission on the regulatory aspects of this measure and establishment and implementation of retail wheeling.

Thank you for this opportunity to testify in support of SB589, SD1.



#### **TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS**

#### SB 589, SD1 Relating to Renewable Energy

Thursday, February 27, 2025 10:26 AM State Capitol, Conference Room 211

Kaiulani Shinsato Director, Customer Energy Resources Hawaiian Electric

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

My name is Kaiulani Shinsato and I am submitting testimony on behalf of Hawaiian Electric or "Company" **in opposition** to SB 589, SD1, Relating to Renewable Energy.

SB 589, SD1 authorizes retail wheeling of renewable energy and requires the Public Utilities Commission to establish policies and procedures to implement retail wheeling and microgrid service tariffs.

Hawaiian Electric supports programs that aid renewable energy by enabling customers to use their renewable energy systems more effectively; however, the utility also recognizes the importance of equity and ensuring that the benefits of wheeling are balanced with any additional costs or burdens that may be placed on non-wheeling customers. It is critical to address these equity concerns to protect non-wheeling customers from detrimental cost shifting before any type of wheeling is implemented.

However, Hawaiian Electric believes that this bill is unnecessary because it seeks to require a process that is already underway. The Public Utilities Commission has an ongoing docket to examine wheeling in Hawai'i (Docket No. 2024-0200), which has involved various public and private stakeholders. In 2024, the Commission conducted outreach to various State, county, and federal governmental agencies to gauge interest in intragovernmental wheeling. On December 9, 2024, the Commission hosted the first Stakeholder Meeting, which was attended by approximately 85 attendees. The primary goals of this initial meeting were to (1) allow attendees to gain a clear understanding of the docket's goals and objectives; (2) discuss the working definition of wheeling; (3) address stakeholder feedback; and (4) have Hawaiian Electric present on the technical feasibility for wheeling. The Commission has scheduled four more Stakeholder Meetings in February, April, June, and August, and stated that it plans to come to a decision on whether wheeling among governmental agencies is in the public interest by November 2025. If the Public Utilities Commission determines intragovernmental wheeling to be in the public interest pursuant to their investigation, it stated that the next step is to implement intragovernmental wheeling policies and procedures and then conduct a similar review specific to retail wheeling. Accordingly, Hawaiian Electric recommends that these important and complex matters get fully vetted and determined with the right stakeholders through the ongoing regulatory process before the Commission.

For these reasons, Hawaiian Electric opposes SB589, SD1. Thank you for this opportunity to submit testimony.

## SUNLUN

Legislative Testimony of Sunrun Inc. Before the WAM Committee February 27, 2025

#### IN SUPPORT of SB589 SD1 – Relating to Renewable Energy

Dear Chair Dela Cruz, Vice Chair Moriwaki, and distinguished Members of the Committee on Ways and Means,

Sunrun is the nation's leading home solar, battery storage and energy services company, and has a long and proud history in Hawai'i with office and warehouse locations on O'ahu, Maui, and Hawai'i Islands. We employ more than 350 professions across the islands, including sales/marketers, customer experience professionals, and installation team members including electrical inspectors, technicians, forepersons and warehouse personnel.

**Sunrun strongly supports SB589 SD1**, which would help Hawai'i and its residents achieve critical affordability, reliability, resilience and sustainability goals by ensuring that fair compensation is provided to distributed energy resource (DER) exports as part of grid service programs, and authorizing retail wheeling of renewable energy and requiring the Public Utilities Commission (PUC) to establish policies and procedures to implement retail wheeling and microgrid service tariffs.

Accelerating the installation of rooftop solar and energy storage across our state will advance progress towards Governor Green's recently signed Executive Order 25-01<sup>1</sup> which sets a target of 50,000 new DER installations in Hawai'i by 2030. Specifically, SB589 SD1 aligns with the Order's directive to "establish programs and enact policies to expedite these [DER] installations." This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawai'i meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation.

Hawai'i has a 100% renewable portfolio standard (RPS) by 2045,<sup>2</sup> and DER systems are critical to achieving the state's RPS goals. Hawaiian Electric (HECO) recently reported achieving a 36% consolidated RPS in 2024, largely due to continued DER adoption.<sup>3</sup> Rooftop solar is the leading contributor to Hawai'i's clean energy portfolio, generating around 44% of all renewable energy in the state. Continued implementation of rooftop solar has proven to be a strong component of the state's renewable energy generation and contributes to a more resilient energy system while lowering energy costs for all ratepayers.

Sunrun strongly supports SB589 SD1 and respectfully urges the committee to advance this measure. Mahalo for the opportunity to provide testimony on this critical legislation. As a national solar, storage and energy services company, Sunrun has a broad view of states' clean energy policies and stands ready to assist Hawai'i with its policy goals.

<sup>&</sup>lt;sup>1</sup> <u>https://governor.hawaii.gov/wp-content/uploads/2025/01/2501085\_Executive-Order-No.-25-01.pdf</u>

<sup>&</sup>lt;sup>2</sup> https://energy.hawaii.gov/what-we-do/clean-energy-vision/

<sup>&</sup>lt;sup>3</sup> https://www.hawaiianelectric.com/hawaiian-electric-surges-to-36-renewable-energy-on-grids



### INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

THIRTY-THIRD LEGISLATURE, 2025, Committee on Ways and Means HEARING DATE: Thursday, February 27, 2025 TIME: 10:26 a.m. PLACE: Senate Committee Room 211 RE: Senate Bill 589 SD1- OPPOSE

Aloha Honorable Chair Dela Cruz, Vice-Chair Moriwaki, and Committee Members;

The International Brotherhood of Electrical Workers Local 1260 (IBEW 1260) offers the following testimony in OPPOSITION of Senate Bill 589 SD1.

IBEW Local 1260, is comprised of approximately 3,000 members throughout Hawaii and Guam and consists of a diverse and highly-skilled workforce that supports the electric utility infrastructure across our state as well as government service contracts and broadcasting. While we strive to serve and to protect the health, safety, and welfare of our members, it is also our intent to serve and protect the health, safety, and welfare of the community at large.

SB589 SD1 authorizes retail wheeling of renewable energy and requires the Public Utilities Commission to establish policies and procedures to implement retail wheeling and microgrid service tariffs.

SB589 SD1 reduces economies of scale and increases the cost of electricity to those who can least afford it and reduces overall reliability and accountability. Although we appreciate the intent of this measure, the long-term impacts retail wheeling may have on Hawaii's electric grid have not been fully vetted. If adopted, SB589 SD1 will allow the integration of intermittent "non-firm" power into the grid from multiple unknown sources reducing the reliability and accountability a vertically integrated system provides. Further, the fixed-cost of operating and maintaining the system will remain unchanged and passed on to those left in the system, essentially increasing the cost of electricity to those who can least afford it.

**Overall long-term grid integrity, reliability, and safety may become compromised.** In addition to overall cost implications and equity concerns to the ratepayers, the long-term impacts to the overall integrity of the grid that may be caused by the integration of third-party non-utility controlled power generation remain unclear.

The public utilities commission has opened discussions on wheeling between government facilities (Public Utilities Commission Docket No. 2024-0200) but have yet to issue findings. Until such time that the PUC issues its findings on Docket 2024-0200, IBEW Local 1260 believes any legislation to authorize retail wheeling is premature and could adversely affect the electric utility's ability to provide firm, safe, reliable, and *"equitable"* energy to the people of Hawaii.

As such, IBEW1260 respectfully requests that the Committee on Ways and Means **HOLD** this measure. Mahalo for the opportunity to testify.



February 26, 2025

Senator Dela Cruz Senate Committee on Ways and Means

# RE: SB589 SD1 – Relating to Renewable Energy Hearing: Thursday February 27, 2025 Position: STRONG SUPPORT

Chair Dela Cruz 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 SB589 SD1 relating to Renewable Energy.

This bill authorizes retail wheeling of renewable energy and requires the Public Utilities Commission to establish policies and procedures to implement retail wheeling and microgrid service tariffs. Ensures that fair compensation is provided for solar and energy storage exports.

#### **COMMENTS**

As an invested stakeholder in Hawaii's clean energy transition, we I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. New grid services capabilities, microgrids, and other innovative structures will not only help Hawaii achieve critical energy policy goals but will do so in a balanced manner that increases access to affordable energy, stabilizes grid costs, and drives economic growth and job creation.

Rooftop solar is an essential part of Hawaii's electric grid and currently provides over 1.1 gigawatts of energy able to power over 360,000 homes and businesses across the state, over half of the 568,000 housing units built.<sup>1</sup> The rooftop solar industry is the primary driver of renewable capacity in the state, one that is largely built through locally owned and operated

<sup>&</sup>lt;sup>1</sup> <u>https://files.hawaii.gov/dbedt/census/popestimate/2022/2022-housing/2022-dbedt-housing-highlights.pdf</u>



developers and businesses like ours. However, the state, while acknowledging the importance of rooftop solar in the overall mix of energy, has never set a concrete, future-focused deployment goal to guide regulatory frameworks in building this critically needed asset. This is all the more important as the state's primary utility continues to risk financial instability and major developers of large renewable energy projects face a riskier investment climate than before, and are forced to reevaluate their project's long-term viability and the utility's ability to meet its obligations.<sup>2</sup>

Unlike other states, rooftop solar is the foundation upon which Hawaii's renewable energy future is constructed. Setting state policy directives for rooftop solar deployment is essential in creating a stable regulatory environment to allow these resources the ability to meet demands for energy generation and resilience.

Solaray is a local, employee-owned solar business owned and operated in Hawaii for over 50 years, we are testifying in **STRONG SUPPORT of SB589 SD1** and urge the committee to pass this measure.

Thank you for your time and consideration,

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

<sup>&</sup>lt;sup>2</sup> <u>https://www.energy-storage.news/clearway-withdraws-solar-plus-storage-from-hawaiian-electric-procurement-citing-utilitys-ongoing-financial-uncertainty/</u>



#### Testimony of the Hawaii Solar Energy Association (HSEA) Regarding SB589 SD1, Relating to Renewable Energy, Before the Senate Committee on Ways and Means Thursday, February 27, 2025

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Hawaii Solar Energy Association (HSEA) **supports SB589 SD1**, which directs the Public Utilities Commission (PUC) to design programs with sufficiently calibrated incentives and mechanisms to accelerate distributed energy resource (DER) (i.e., customer-cited solar and energy storage) adoption. While we support this version of the bill, we note our preference for maintaining the original installation target and the requirement for one-to-one crediting for grid service exports. These provisions would strengthen policy signals and ensure programs that are viable for customers, ratepayers, and the grid. Despite these changes, SB589 SD1 still addresses the urgent need to accelerate DER installations to support grid resilience and stability, lower energy burdens, and drive economic growth.

#### Why This Bill is Critical

Hawaii's energy future depends on a high level of DER installations to lower energy costs, stimulate economic growth, enhance resilience, and meet climate goals. By advancing policies that encourage the deployment of solar and battery storage systems, this bill secures Hawaii's leadership in renewable energy while delivering broad benefits for all residents.

**Lower Energy Costs:** Rooftop solar and battery storage significantly reduce energy bills and shield customers from fossil fuel price volatility. By producing local energy, DERs ease grid strain and defer costly infrastructure upgrades, saving money for all ratepayers. Fair compensation for energy exports and other values ensures customers are rewarded equitably, encouraging widespread adoption of beneficial grid services programs.

#### **Economic Benefits:**

• According to the State of Hawaii's Department of Business, Economic Development, and Tourism's (DBEDT) Research and Economic Analysis Division (READ), every dollar



invested in DER construction generates 1.47-2.12 additional dollars in direct economic output.<sup>1</sup>

- A recent peer-reviewed economic analysis indicates significant economic contributions—residential solar systems installed in Hawaii generate \$66,810 in added economic output, while commercial systems generate \$8.5 million over their lifetimes.<sup>2</sup>
- Hawaii's clean energy sector supports over 2,400 jobs, with thousands more expected as DER adoption grows. Each added megawatt of residential solar is estimated to add 27 jobs, while each added megawatt for commercial adds 19 jobs.<sup>3</sup>
- State investments are highly leveraged, attracting an additional \$3.44 in private and federal funding for every state dollar.<sup>4</sup>

**Resilience and Reliability:** DERs strengthen energy security with battery storage and microgrids, providing localized power during emergencies and mitigating risks from aging infrastructure. Virtual Power Plants (VPPs) such as Hawaii's Battery Bonus or Bring-You-Own-Device (BYOD) programs aggregate DERs to enhance grid stability by offering peak load reduction and energy adequacy. Events like the 2023 Lahaina wildfires and energy adequacy issues on Oahu and Hawaii Island underscore the urgent need for resilient, decentralized energy systems.

**Climate Leadership:** DERs are vital to achieving Hawaii's 100% Renewable Portfolio Standard (RPS) by 2045, already contributing nearly half of the progress to date. By reducing reliance on imported fossil fuels, DERs lower greenhouse gas emissions and improve public health, especially in underserved and frontline communities disproportionately affected by air pollution and climate risks. Hawaii's leadership also serves as a global model for decarbonizing energy systems, which we can harness new opportunities for Hawaii's future economy.

<sup>&</sup>lt;sup>1</sup> See DBEDT-READ 2017 State Input-Output Study and Condensed Input-Output Transactions Table, 'mining and construction' category. (<u>https://dbedt.hawaii.gov/economic/reports\_studies/2017-io/</u>)

<sup>&</sup>lt;sup>2</sup> Thomas A. Laudat and Prahlad Kasturi, 2017. "<u>The Economic and Fiscal Impacts of Hawaii's Solar Tax Credit,</u>" International Journal of Energy Economics and Policy, Econjournals, vol.7(1), pages 224-252.

<sup>&</sup>lt;sup>3</sup> <u>Solar Foundation National Solar Jobs Census 2020; SEIA Solar Market Insight Report 2020</u>; and Bill Nussey, <u>Freeing Energy</u>.)

<sup>&</sup>lt;sup>4</sup> Based on the refundable tax credit rate of 22.5%, leaving 77.5% from other sources, private and federal. 77.5 divided by 22.5 equals 3.44.



#### **State Action is Crucial**

With uncertain federal support and potential tariffs on solar equipment increasing costs for Hawaii consumers, bold state-level action is imperative. The Governor's Executive Order No. 25-01<sup>5</sup> underscores this urgency by calling for the acceleration of DER installations with a goal of 50,000 in five years. This bill aligns with that directive and ensures affordable and accessible clean energy solutions for residents.

#### Conclusion

Despite the removal of the installation target and one-to-one crediting for grid service exports, the bill still represents a step in the right direction to accelerate adoption of customer-sited distributed energy resources.

HSEA urges this committee to advance SB589 SD1. Thank you for the opportunity to testify.

Sincerely,

#### /s/ Rocky Mould

**Executive Director** 

#### About HSEA

Since 1977, HSEA has been advocating for policies that help Hawaii achieve critical climate, energy security, and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy. These investments provide reliable and affordable power, reducing energy cost burdens and contributing to Hawaii's economic sustainability as we decarbonize our economy and electric grid.

HSEA's membership includes the majority of locally owned and operated solar and energy storage companies doing business in Hawaii, along with leading global cleantech manufacturers

<sup>&</sup>lt;sup>5</sup> See EXECUTIVE ORDER NO. 25-01 here: <u>https://governor.hawaii.gov/wp-</u>

<sup>&</sup>lt;u>content/uploads/2025/01/2501085\_Executive-Order-No.-25-01.pdf</u> and see *Office of the Governor — News* Release — Governor Green Signs Executive Order to Promote and Expedite Renewable Energy, Reducing Energy Costs. January 28/2025 here: <u>https://governor.hawaii.gov/newsroom/office-of-the-governor-news-release-</u> governor-green-signs-executive-order-to-promote-and-expedite-renewable-energy-reducing-energy-costs/



and service providers active in our market. Together, we employ thousands of Hawaii residents in diverse green economy jobs that drive innovation, design, and construction of Hawaii's renewable energy infrastructure.

Hawaii is a global leader in renewable energy deployment, particularly in customer-sited rooftop solar and energy storage. Customer-sited rooftop solar accounts for 47% of renewable energy added to grids in Hawaiian Electric service areas (Oahu, Maui County, and the Big Island) and 21% in the Kauai Island Utility Cooperative area. Additionally, Hawaii leads the nation in pairing rooftop solar with battery storage, with 96% of new residential installations including storage. These achievements underscore Hawaii's role as a pioneer in clean energy transformation.

Submitted on: 2/25/2025 12:11:49 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
PAUL OREM	Testifying for Photonworks Engineering	Nunnort	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

As an renewable energy contractor in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in **support of SB589 SD1**.

Paul Orem - CEO Photonworks ngineering LLP

Submitted on: 2/25/2025 12:25:45 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Chris Ah Sue	Testifying for Malama Solar	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

As someone deeply invested in Hawaii's clean energy future, I appreciate the opportunity to share my strong support for SB589 SD1. Expanding rooftop solar and energy storage is critical to accelerating our transition, and this bill lays the groundwork for real, actionable progress.

By prioritizing grid services, microgrids, and innovative energy solutions, we're not only addressing immediate energy challenges but also ensuring long-term affordability, grid stability, and local job creation. These steps are essential to maintaining Hawaii's leadership in renewable energy while making sure all residents benefit from a more resilient and sustainable grid.

Mahalo for your time and consideration. I urge you to support this bill and help move Hawaii toward a cleaner, more independent energy future.

Chris & Rachel Ah Sue

Malama Solar

Submitted on: 2/25/2025 12:59:58 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Marc Monbouquette	Testifying for Enphase Energy, Inc.	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee:

On behalf of Enphase Energy, I would like to register our **strong support of SB 589 SD1**, which will enhance near-term efforts to rapidly accelerate the installation of rooftop solar and energy storage across the state. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions provided by distributed energy resources. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for your consideration of my testimony and I again urge your Aye vote on SB 589 SD1.

Respectfully,

Marc Monbouquette

**Enphase Energy** 

Submitted on: 2/25/2025 6:34:33 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Charles Chacko	Testifying for Credence Projects LLC	Support	Written Testimony Only

Comments:

Submitted on: 2/25/2025 6:40:07 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Scott Saville	Testifying for LegaSea Energy	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

As an invested stakeholder in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in **support of SB589 SD1**.

Thank you,

Scott Saville

Submitted on: 2/26/2025 6:22:16 AM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Chris DeBone	Testifying for Hawaii Energy Connection	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

On behalf of our 55 fulltime employees in the renewable energy sector, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in support of SB589 SD1.

Mahalo,

Chris DeBone

Hawaii Energy Connection / KumuKit

Submitted on: 2/26/2025 7:20:29 AM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kathryn Troyan	Testifying for Alternate Energy Inc.	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee, As an invested stakeholder in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in support of SB589 SD1.

Mahalo, Kathryn Troyan Project Manager

#### <u>SB-589-SD-1</u> Submitted on: 2/25/2025 2:00:39 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
wei lian	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

As an invested stakeholder in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in support of SB589 SD1.

Mahalo,

#### <u>SB-589-SD-1</u> Submitted on: 2/25/2025 2:02:04 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jim Vasquez	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

#### <u>SB-589-SD-1</u> Submitted on: 2/25/2025 2:12:44 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Miles	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

As an invested stakeholder in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in **support of SB589 SD1**.

Sincerely,

Miles Yoshimoto

Project Developer Alternate Energy Inc 96-1276 Waihona Street Unit 114 Pearl City HI 96782

#### <u>SB-589-SD-1</u> Submitted on: 2/25/2025 2:33:38 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Sandrine Libby	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

#### <u>SB-589-SD-1</u> Submitted on: 2/25/2025 1:42:10 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Dason Fujimoto	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

Submitted on: 2/25/2025 2:43:08 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Jeff	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

<u>SB-589-SD-1</u> Submitted on: 2/25/2025 3:21:33 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
David Thompson	Individual	Support	Written Testimony Only

Comments:

I'm in strong support of this bill.

#### <u>SB-589-SD-1</u> Submitted on: 2/25/2025 4:21:11 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Yuko Ahina	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

#### SB-589-SD-1

Submitted on: 2/25/2025 4:27:09 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Radford Nakamura	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee, As an invested stakeholder in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in **support of SB589 SD1**.

Thank you,

Radford Nakamura

#### SB-589-SD-1

Submitted on: 2/25/2025 4:27:45 PM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Barry 'Brand	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwake, and Members of the Committee,

As an invested stakeholder in Hawaii's clean energy transition, I strongly support efforts to rapidly accelerate the installation of rooftop solar and energy storage across our state, particularly in the near term. This bill sends a clear policy directive to create viable programs to ensure the expansion of grid services capabilities, microgrids, and other innovative solutions. These measures will help Hawaii meet urgent energy needs and achieve policy goals in a balanced manner by increasing access to affordable energy, stabilizing grid costs, and driving economic growth and job creation. Thank you for giving me the opportunity to testify in **support of SB589 SD1**.

Thank you for your time and representation.

Sincerely,

Barry Brand

Submitted on: 2/26/2025 7:55:48 AM Testimony for WAM on 2/27/2025 10:26:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Faith Texeira	Individual	Support	Written Testimony Only

Comments: