

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LIEUTENANT GOVERNOR



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IN REPLY, REFER TO:  
**OCS 22.1076**

March 22, 2022

To: The Honorable Nicole E. Lowen, Chair,  
The Honorable Lisa Marten, Vice Chair, and  
Members of the House Committee on Energy and Environmental Protection

Date: Thursday, March 24, 2022  
Time: 10:00 a.m.  
Place: Conference Room 325 & Videoconference

From: Jovanie Domingo Dela Cruz, Executive Director  
DLIR – Office of Community Services

Position: Support

**Re: HCR 49/HR 44 – Relating to Home Energy Assistance**

## **I. OVERVIEW OF PROPOSED RESOLUTIONS**

HCR 49 and HR 44 would ask the Public Utilities Commission to convene a working group to create a low-income home energy assistance program to assist low-income households to pay for their utility bills.

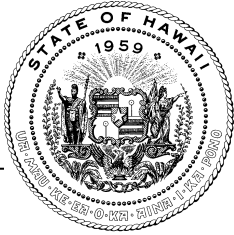
## **II. CURRENT LAW**

The federal government created a program, LIHEAP, to provide assistance for low-income households, basically by two methods. One method was to give money to people to pay for, or assist in paying for their utility bills – cash payments to the utilities. The other method has been to provide people, or their landlords, with energy-saving appliances, large or small.

## **III. COMMENTS ON THE PROPOSED RESOLUTIONS**

The Office of Community Services was created by the Legislature by Act 305, SLH 1985, codified as Chapter 371K, Hawai'i Revised Statutes. The mission of OCS is to eliminate the causes and conditions of poverty for economically disadvantaged persons, immigrants, and refugees in the State of Hawaii, by facilitating and enhancing the development, delivery, and coordination of effective programs for these persons and communities to enable them to achieve and maintain greater economic self-sufficiency and integration into Hawaii's society.

OCS supports these resolutions, because the communities described in these resolutions are underserved and therefore are within the scope of OCS's core constituencies.



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

Thursday, March 24, 2022  
10:00 AM

State Capitol, Conference Room 325 & Videoconference

SUPPORT  
**HCR 49 / HR 44**

**REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY.**

Chair Lowen, Vice Chair Marten, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports HCR 49 / HR44, requesting the Public Utilities Commission, in collaboration with the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, to convene a working group to create a Hawai'i Low Income Home Energy Assistance Program (Hawai'i LIHEAP) to assist low-income households with paying for their home energy.

Energy affordability is an important objective of the activities of HSEO, ranging from reducing energy bills through energy efficiency,<sup>1</sup> to transforming Hawai'i's energy system to be less dependent on the unpredictable and often high costs of electricity generation from petroleum fuel, to providing individuals and organizations with information on financial assistance in the energy area.<sup>2</sup>

HSEO is also intentionally including an equity viewpoint in its office, structure, planning, programming and projects. To this end, HSEO and Hawai'i Energy partnered

<sup>1</sup> Hawai'i State Energy Office, "Achieving Energy Efficiency," <http://energy.hawaii.gov/energy-efficiency>

<sup>2</sup> Hawai'i State Energy Office, "Energy Financial Assistance," <http://energy.hawaii.gov/financial-resources>

with other state and county agencies, including representatives of the PUC, to establish the Energy Equity Hui, which “prioritizes ensuring clean energy solutions are provided to those who need it most...[and] assuring affordability of electricity costs.”<sup>3</sup>

This is also the second year that three full-time AmeriCorps Volunteers in Service to America (VISTA) service members are contributing to HSEO's efforts to make clean energy and clean transportation more accessible and affordable for all Hawai'i residents. The VISTAs, part of the Climate Ready Hawai'i VISTA-AmeriCorps cohort coordinated by the Hawai'i Climate Change Mitigation and Adaptation Commission, were selected for their ability and commitment to help strengthen HSEO's capacity to serve vulnerable and under-represented communities.

The points made in HCR 49 / HR 44 regarding the importance of energy affordability, especially at this time of rising electricity and fuel prices, illustrate both the importance and the urgency of the situation.

HSEO recommends including, either formally or informally, the Department of Human Services,<sup>4</sup> which operates the federal LIHEAP program in Hawai'i, and the Department of Labor's Office of Community Services,<sup>5</sup> which operates the federally-funded Weatherization Assistance Program (WAP). This would facilitate understanding of terms, definitions, approach, requirements, and limitations of Federal energy programs (both LIHEAP and WAP) serving low-income populations in Hawai'i, and the gap that the State-level effort would be designed to fill.

HSEO defers to the appropriate agencies for the implementation and fiscal impacts of this measure and looks forward to working together to accomplish the objectives of HCR 49 / HR 44.

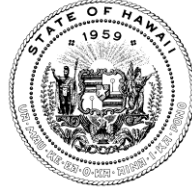
Thank you for the opportunity to testify.

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<sup>3</sup> [https://hawaiienergy.com/images/about/information-and-reports/annual-reports/ProgramYear2020\\_AnnualReport.pdf#page=10](https://hawaiienergy.com/images/about/information-and-reports/annual-reports/ProgramYear2020_AnnualReport.pdf#page=10)

<sup>4</sup> <https://humanservices.hawaii.gov/bessd/liheap/>

<sup>5</sup> <https://labor.hawaii.gov/ocs/service-programs-index/weatherization-assistance-program/>



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

**STATE OF HAWAII  
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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

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

**Before the  
House Committee on Energy & Environmental Protection  
Thursday, March 24, 2022  
10:00 AM  
Conference Room 325 & Videoconference**

**On the following measure:  
HCR49/ HR44, REQUESTING THE PUBLIC UTILITIES COMMISSION, IN  
COLLABORATION WITH THE DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS' DIVISION OF CONSUMER ADVOCACY, TO CONVENE A WORKING  
GROUP TO CREATE A HAWAII LOW INCOME HOME ENERGY ASSISTANCE  
PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR  
HOME ENERGY**

Chair Lowen and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this resolution.

The purpose of this resolution is to convene a working group to create a Hawaii Low Income Home Energy Assistance Program ("LIHEAP") to help low-income households pay for their home energy utility bills.

Low-income households spend a larger percentage of their income on home energy costs making them vulnerable to energy insecurity. The current federal LIHEAP continues to provide qualified Hawaii households with assistance to pay for their electric or gas bills, however, the number of households receiving assistance and the amount of

that assistance depends on the federal funds allocated to the state for the year. As highlighted in the resolution, the number of households receiving LIHEAP assistance is a small fraction of the households that are facing energy insecurity and possible service disconnection.

Importantly, the COVID pandemic has caused significant economic hardship further increasing energy insecurity for low-income as well as moderate-income households. This has resulted in a large increase in the number of households throughout the state that are now eligible for disconnection from electricity service. And while many households have received utility bill payment assistance during the COVID pandemic made possible by the federal government through programs such as the Emergency Rental Assistance Program, these programs are only temporary and, once closed, will leave more low-income and moderate-income households vulnerable to service disconnection.

The Department also observes that many of the programs meant to encourage adoption of new technologies tend to favor those households that are more affluent and have ready access to capital. While these programs and technologies help participating customers, vulnerable households do not have the same ability as other customers to take advantage of new programs and technology and could face even greater electricity bills resulting from these programs. Furthermore, since utility rates are regressive in nature, unless measures are taken, low-income customers could be left behind of the energy industry transformation and relying only on modifying rates and tariffs may not be an ideal solution. Thus, the Department understands that more work needs to be done to bring energy equity to low-income households.

The Department believes that convening a working group at this time to create a Hawaii LIHEAP as an additional source of funds for low-income households is timely and critically needed. The Department appreciates the legislature's support to find additional financial resources to assist Hawaii's low-income households in paying for their energy bills and to prevent service disconnections and their devastating impacts on families.

Thank you for the opportunity to testify on this resolution.

TESTIMONY OF  
JAMES P. GRIFFIN, Ph.D.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
HOUSE COMMITTEE ON  
ENERGY AND ENVIRONMENTAL PROTECTION

March 24, 2022  
10:00 a.m.

Chair Lowen and Members of the Committee:

**MEASURE:** H.C.R. No. 49 / H.R. 44

**TITLE:** REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY.

**POSITION:**

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

**COMMENTS:**

The Commission supports the intent of these resolutions, which would request that the Commission, in collaboration with the Department of Commerce and Consumer Affairs’ Division of Consumer Advocacy (“Consumer Advocate”), convene a working group to create a Hawaii Low Income Home Energy Assistance Program.

The Commission recognizes that utility costs are a source of financial strain for many low-to moderate-income (LMI) customers and has prioritized cost reductions and affordability in many of its proceedings, including general rate cases, power purchase agreements for low-cost renewable energy projects, and innovative programs such as the demand response portfolio that reduces costs to customers. In addition, in overseeing the efforts of the Public Benefits Fee Administrator (“Hawaii Energy”), the Commission has

emphasized the importance of energy efficiency programs and services for hard-to-reach customers, including LMI customers.

The Commission will continue to support and develop reasonable measures that lessen the burden of energy costs on LMI customers and other customer groups, while integrating energy equity and justice throughout its work. The Commission is willing to work with the Consumer Advocate to convene a working group as described in these resolutions.

Thank you for the opportunity to testify on this measure.



**Hawaiian  
Electric**

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION**

**HCR 49/HR44**

**REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH  
THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF  
CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A  
HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST  
LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY.**

Thursday, March 24, 2022  
10 a.m., Agenda Item 2  
State Capitol, Conference Room 325

Joanna Markle  
Customer Ombudsman  
Hawaiian Electric Company

Aloha Chair Lowen, Vice Chair Marten and Committee Members,

My name is Joanna Markle and I am testifying on behalf of Hawaiian Electric Company in support of HCR49/HR44, which requests the Public Utilities Commission, in collaboration with the Consumer Advocate, to convene a working group to create a Hawaii Low Income Home Energy Assistance Program (“LIHEAP”) to assist low income households with paying for their home energy.

The pandemic has resulted in significantly more customers needing assistance and Hawaiian Electric has been experiencing a higher volume of billing payment calls with higher than average bills. As of February 2022, 26% of residential customers have a payment arrangement in place. The number of customers who have been in arrears greater than 90 days has increased from pre-COVID at 6% to 32% of the total arrears balance for the Company. Our customers who have been struggling to pay their utility bills find it a challenge to meet basic needs and there is high demand for financial



assistance. Hawaiian Electric supports the effort to review the feasibility of a State LIHEAP program to further assist our customers in need. Hawaiian Electric also welcomes the opportunity to serve on the working group.

Accordingly, Hawaiian Electric supports HCR49/HR44. Thank you for this opportunity to testify.

**HCR-49**

Submitted on: 3/18/2022 3:51:17 PM

Testimony for EEP on 3/24/2022 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lois Crozer	Individual	Comments	Written Testimony Only

Comments:

This is good but it would be just as beneficial if where they lived weren't so hot. Best to think about trees and upkeep and training for these people in reducing their energy load.