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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.