

JAN 24 2024

A BILL FOR AN ACT

RELATING TO ENERGY ASSISTANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii's electricity
2 rates are among the highest in the nation, at close to three
3 times the national average, and vary based on availability of
4 renewable resources, power plants, fuel costs, and pricing
5 regulations. The 2022 report commissioned by the Aloha United
6 Way, "ALICE in Hawaii: 2022 Facts and Figures", states that
7 forty-four per cent of the house holds in the State live below
8 the ALICE (asset limited, income constrained, employed)
9 threshold, meaning that almost of all families in Hawaii are
10 struggling to make ends meet, even though they are employed.
11 The number of electric utility customers in arrears and facing
12 disconnection is higher than prior to the coronavirus disease
13 2019 pandemic, with thousands of customers collectively owing
14 millions of dollars. In addition, electricity needs are
15 expected to increase due to rising climate temperatures and
16 associated home cooling needs.



1 In 2022, the legislature passed Senate Concurrent
2 Resolution No. 242, Session Laws of Hawaii 2022, which called
3 for the creation of a Hawaii state low-income home energy
4 assistance program (LIHEAP) working group. As found in a
5 December 2022 report to the legislature, the federal LIHEAP
6 administered by the department of human services, a program
7 designed to provide energy assistance to families, served fewer
8 than nine thousand households in Hawaii in 2020, or about two
9 per cent of the State's population potentially eligible for
10 energy assistance based on income. According to estimates from
11 the National Energy and Utility Affordability Coalition, Hawaii
12 received 0.14 per cent of federal LIHEAP funds in fiscal year
13 2021-2022, the lowest amount of all states and roughly half of
14 the next-lowest state. Funding for states is determined based
15 on a formula developed in 1984, which inherently favors states
16 with large heating needs and does not consider specific
17 electricity prices within states.

18 In addition to the limited financial assistance available
19 through the department of human services from the federal LIHEAP
20 program, the public utilities commission public benefits fee
21 administrator plays a vital role in ensuring that all available



1 State and federal benefits and rebate programs are being
2 utilized by providing opportunities and solutions for Hawaii
3 residents and businesses to save money and energy.

4 The State must commit to providing assistance to low-income
5 households that are directly impacted due to the high cost of
6 electricity.

7 The purpose of this Act, therefore, is to establish within
8 the department of human services a Hawaii home energy assistance
9 program similar to the federal LIHEAP program that will allow
10 the department of human services to provide energy assistance to
11 more families. In addition to financial assistance from the
12 department of services, recipients of the Hawaii home energy
13 assistance program will receive valuable information and
14 assistance from the public utilities commission public benefits
15 fee administrator about making their homes more energy efficient
16 to reduce their cost of electricity.

17 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
18 amended by adding to part II two new sections to be
19 appropriately designated and to read as follows:

20 "§346- Hawaii home energy assistance program;
21 established. (a) There is established within the department



1 the Hawaii home energy assistance program. Subject to the
2 availability of program funds, the program shall assist eligible
3 households with payment of costs associated with meeting an
4 eligible household's home energy needs that may include, among
5 other things, energy bill payments, home energy crisis payments,
6 weatherization, energy efficiency improvements, and energy-
7 related home repairs. The public utilities commission public
8 benefits fee administrator, in consultation with the department,
9 shall provide information and technical assistance to
10 recipients, including an energy audit at the request of a
11 recipient, and assist recipients with implementation of energy
12 efficiency improvements, in accordance with section 269-123.

13 (b) The department shall adopt rules pursuant to chapter
14 91 for purposes of this section.

15 §346- Hawaii home energy assistance program special
16 fund. (a) There is established in the state treasury the
17 Hawaii home energy assistance program special fund into which
18 shall be deposited:

19 (1) Appropriations made by the legislature;



1 (2) All contributions to the Hawaii home energy assistance
2 program from public or private individuals or
3 entities;

4 (3) All interest earned or accrued on moneys deposited in
5 the special fund; and

6 (4) Any other moneys made available to the special fund
7 from other sources.

8 (b) Moneys in the Hawaii home energy assistance program
9 special fund shall be expended by the department for the
10 purposes of the Hawaii home energy assistance program."

11 SECTION 3. Section 269-123, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) The public benefits fee administrator's duties and
14 responsibilities shall be established by the public utilities
15 commission by rule or order, and may include:

16 (1) Identifying, developing, administering, promoting,
17 implementing, and evaluating programs, methods, and
18 technologies that support energy-efficiency and
19 demand-side management programs;

20 (2) Encouraging the continuance or improvement of
21 efficiencies made in the production, delivery, and use



- 1 of energy-efficiency and demand-side management
2 programs and services;
- 3 (3) Using the energy-efficiency expertise and capabilities
4 that have developed or may develop in the State and
5 consulting with state agency experts;
- 6 (4) Promoting program initiatives, incentives, and market
7 strategies that address the needs of persons facing
8 the most significant barriers to participation;
- 9 (5) Promoting coordinated program delivery, including
10 coordination with electric public utilities regarding
11 the delivery of low-income home energy assistance,
12 other demand-side management or energy-efficiency
13 programs, and any utility programs;
- 14 (6) Consideration of innovative approaches to delivering
15 demand-side management and energy-efficiency services,
16 including strategies to encourage third-party
17 financing and customer contributions to the cost of
18 demand-side management and energy-efficiency services;
- 19 (7) Submitting, to the public utilities commission for
20 review and approval, a multi-year budget and planning
21 cycle that promotes program improvement, program



1 stability, and maturation of programs and delivery
2 resources; [and]

3 (8) Educating and training appliance manufacturers,
4 distributors, and retailers of appliances covered
5 under part VI of chapter 196 about the appliance
6 efficiency standards established under that part to
7 improve compliance[-]; and

8 (9) Providing information and technical assistance about
9 available energy efficiency programs to recipients of
10 the Hawaii home energy assistance program, including
11 an energy audit if requested by the recipient, and
12 assisting the recipients with implementation of energy
13 efficiency improvements."

14 SECTION 4. In accordance with section 9 of article VII of
15 the Hawaii State Constitution and sections 37-91 and 37-93,
16 Hawaii Revised Statutes, the legislature has determined that the
17 appropriations contained in Act 164, Regular Session of 2023,
18 and this Act will cause the state general fund expenditure
19 ceiling for fiscal year 2024-2025 to be exceeded by
20 \$ or per cent. This current declaration takes
21 into account general fund appropriations authorized for fiscal



1 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
2 only. The reasons for exceeding the general fund expenditure
3 ceiling are that:

4 (1) The appropriation made in this Act is necessary to
5 serve the public interest; and

6 (2) The appropriation made in this Act meets the needs
7 addressed by this Act

8 SECTION 5. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$10,000,000 or so
10 much thereof as may be necessary for fiscal year 2024-2025 to be
11 deposited into the Hawaii home energy assistance program special
12 fund.

13 SECTION 6. There is appropriated out of the Hawaii home
14 energy assistance program special fund the sum of \$10,000,000 or
15 so much thereof as may be necessary for fiscal year 2024-2025
16 for purposes of the Hawaii home energy assistance program.

17 The sum appropriated shall be expended by the department of
18 human services for the purposes of this Act.

19 SECTION 7. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$500,000 or so much
21 thereof as may be necessary for fiscal year 2024-2025 to



1 establish one full-time equivalent (1.0 FTE) position and two
 2 temporary positions, and to contract services as may be
 3 necessary, for the purposes of implementing the Hawaii home
 4 energy assistance program.

5 The sum appropriated shall be expended by the department of
 6 human services for the purposes of this Act.

7 SECTION 8. Statutory material to be repealed is bracketed
 8 and stricken. New statutory material is underscored.

9 SECTION 9. This Act shall take effect on July 1, 2024.

10

INTRODUCED BY: *Lynne D. Coite*



S.B. NO. 3263

Report Title:

DHS; Hawaii Home Energy Assistance Program; Expenditure Ceiling; Appropriation

Description:

Establishes the Hawaii Home Energy Assistance Program within the Department of Human Services to assist qualifying households in paying their energy bills. Establishes the Hawaii Home Energy Assistance Special Fund. Declares that the general fund expenditure ceiling is exceeded. Makes an appropriation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

