THE SENATE THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII

S.B. NO. 3263

JAN 2 4 2024

A BILL FOR AN ACT

RELATING TO ENERGY ASSISTANCE.

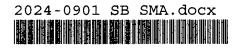
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

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 struggling to make ends meet, even though they are employed. 10 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 millions of dollars. In addition, electricity needs are 14 expected to increase due to rising climate temperatures and 15 16 associated home cooling needs.

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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 December 2022 report to the legislature, the federal LIHEAP 5 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.

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



State and federal benefits and rebate programs are being
 utilized by providing opportunities and solutions for Hawaii
 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 more families. In addition to financial assistance from the 11 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.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is
amended by adding to part II two new sections to be
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;



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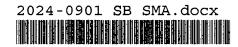
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1	(2)	All contributions to the Hawaii home energy assistance
2		program from public or private individuals or
3		entities;
4	(3)	All interest earned or accrued on moneys deposited in
5		the special fund; and
6	(4)	Any other moneys made available to the special fund
7		from other sources.
8	(b)	Moneys in the Hawaii home energy assistance program
9	special f	und shall be expended by the department for the
10	purposes	of the Hawaii home energy assistance program."
11	SECT	ION 3. Section 269-123, Hawaii Revised Statutes, is
12	amended b	y amending subsection (b) to read as follows:
13	"(b)	The public benefits fee administrator's duties and
14	responsib	ilities shall be established by the public utilities
15	commissio	n 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		<pre>improve compliance[+]; and</pre>	
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	SECT	ION 4. In accordance with section 9 of article VII of	
15	the Hawai	i 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 f	or fiscal year 2024-2025 to be exceeded by	
20	\$	or per cent. This current declaration takes	
21	into acco	unt general fund appropriations authorized for fiscal	



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year 2024-2025 in Act 164, Regular Session of 2023, and this Act 1 only. The reasons for exceeding the general fund expenditure 2 3 ceiling are that: 4 The appropriation made in this Act is necessary to (1) 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 much thereof as may be necessary for fiscal year 2024-2025 to be 10 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 human services for the purposes of this Act. 18 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



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

5 The sum appropriated shall be expended by the department of6 human services for the purposes of this Act.

7 SECTION 8. Statutory material to be repealed is bracketed8 and stricken. New statutory material is underscored.

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

10

INTRODUCED BY: Jun Salvite



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.

