

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
ON
HOUSE BILL NO. 949

February 7, 2023
8:45 a.m.
Room 325 and Videoconference

RELATING TO RENEWABLE ENERGY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 949: 1) establishes the Solar Energy Storage System Loan Program (SESSLP) and the Renewable Energy System Installation Loan Program (RESILP) to be administered by the Hawai'i Green Infrastructure Authority of the Department of Business, Economic Development and Tourism; 2) establishes the Solar Energy System Special Fund (SESSF); 3) appropriates \$200,000,000 of general funds for FY 24 to be deposited into the SESSF; and 4) appropriates \$200,000,000 out of the SESSF to issue loans as provided for by the SESSLP and RESILP.

As a loan program, both the SESSLP and the RESILP as described seem to better align with the definition of a revolving fund. It should be pointed out that H.B. No. 949 does not include language addressing the deposit of revenues received as repayment for principal and interest of any loans issued under either program.

As a matter of general policy, B&F does not support the creation of any special fund or revolving fund which does not meet the requirements of Section 37-52.3 or Section 37-52.4, HRS. Special and revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 949, it is difficult to determine whether the proposed special fund would be self-sustaining as there does not appear to be any significant source of revenues to support the SESSF aside from appropriations from the Legislature, contributions from public or private partners, and interest earned or accrued on moneys deposited into the fund.

Thank you for your consideration of our comments.



JOSH GREEN, M.D.
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
House Committee on Energy & Environmental Protection
Tuesday, February 7, 2023, 8:45 AM
State Capitol, Conference Room 325
in consideration of
House Bill No. 949
RELATING TO RENEWABLE ENERGY

Chair Nicole E. Lowen, Vice Chair Elle Cochran and Members of the Energy & Environmental Protection Committee:

Thank you for the opportunity to testify and provide comments on House Bill No. 949, relating to renewable energy. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this bill which establishes and appropriates funds for a program to provide low and moderate-income households with below market loans to install photovoltaic and energy storage systems.

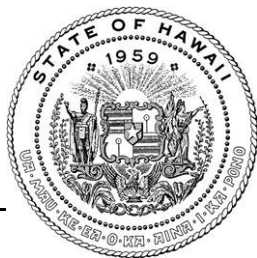
HGIA, Hawai'i's Green Bank, works to advance the State's goal of a 100% renewable portfolio standard in energy production by leveraging innovative financing mechanisms to democratize clean energy by making financing more affordable and accessible to ratepayers previously locked out of solar. The State's efforts to achieve its clean energy goals rely on 100% of residential rooftops bearing solar, which will require an estimated \$15.0 billion in solar+storage investments over the next twenty-two years.

More importantly, with 44% of Hawai'i's families classified as asset limited, income constrained, employed ("ALICE"), our underserved ratepayers are facing disproportionate financial burdens with rising inflation and unprecedented spikes in electricity costs, straining their already tight household budgets. Based on the Federal Reserve Bank's unbanked/underbanked metric, an estimated 75,000 rooftops may not qualify for traditional financing, representing a \$3.75 billion market gap. This additional loan capital, which will allow HGIA to also finance energy storage systems, will be a game-changer helping underserved ratepayers reduce their energy burden while facilitating an equitable transition to renewable energy, and enhancing resiliency and grid stability. With the launch of Solarize808 campaigns and additional tax incentives for disadvantaged communities in the Inflation Reduction Act, this is a timely opportunity to assist our ALICE families decrease their electric utility bills with long-term savings expected over the life of the system that can be used toward necessary household expenses.

As this loan capital is not intended to be under the purview of the Hawai'i Public Utilities Commission, HGIA respectfully requests the following amendment under Section 1. §196-B (b):

(b) The authority may adopt rules pursuant to chapter 91 to carry out the functions, powers, and duties identified in section 196-64 (c) and (d).

Thank you for this opportunity to testify and provide comments in support of House Bill No. 949.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
House Committee on Energy & Environmental Protection
Tuesday, February 7, 2023, 8:45 AM
State Capitol, Conference Room 325
in consideration of
House Bill No. 949
RELATING TO RENEWABLE ENERGY.

Chair Lowen, Vice Chair Cochran and Members of the Energy & Environmental Protection Committee:

The Department of Business, Economic Development and Tourism (“DBEDT”) **supports** HB949, which establishes and appropriates funds for a program to provide low and moderate-income households with below market loans to install photovoltaic and energy storage systems.

Additional loan capital for solar+storage investments are necessary to help underserved ratepayers reduce their growing financial energy burdens, facilitate an equitable transition to renewable energy, and enhance the resiliency and stability of electrical grids. Expanding the Hawaii Green Infrastructure Authority’s ability to finance rooftop solar is a necessary step in helping Hawaii achieve its goal of a 100% renewable portfolio standard in energy production by 2045.

We support this bill provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

Thank you for this opportunity to testify in support of House Bill 949.



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Tuesday, February 7, 2023 — 8:45 a.m.

Ulupono Initiative supports HB 949, Relating to Renewable Energy.

Dear Chair Lowen and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 949, which establishes and appropriates funds for a solar energy storage system loan program to provide asset limited, income constrained, employed households with low-interest loans to purchase and install solar energy storage systems; and, establishes and appropriates funds for a renewable energy system installation loan program to provide low- and moderate-income families with low-interest loans to purchase and install residential photovoltaic and energy storage systems, including battery storage systems.

Ulupono supports the State's commitment to generate 100% of its electricity from renewable energy sources by 2045. The State should consider various innovative financing measures to support renewable energy's equitable adoption island-wide. This bill seeks to solidify that commitment by making solar and energy storage systems affordable and accessible for those in the ALICE (Asset Limited, Income Constrained, Employed) population. As solar energy is currently about one-half the cost of oil-fired electricity, this population would directly benefit from a program that helps them overcome financial challenges such as high electricity costs and inflation.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



Environmental Caucus of The Democratic Party of Hawai'i

Feb.5th 20023

TO: COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair
Rep. Elle Cochran, Vice Chair

CONCERNING: HB1326 (Environment), **HB179** (Deposit Beverage Container materials)
HB949 (Renewable Energy), **HB1252** (Energy), **HB347** (Electric Vehicle
Charging Systems), **HB419** (Residential photovoltaic Energy Generating
Systems), **HB1200** (Conservation and Resources Enforcement)

POSITION: Strong Support

The Environmental Caucus enthusiastically supports the bills listed above. Our state has suffered for decades under increasing waste production and paid out a fortune to find places to ship it to or dumping miscellaneous and questionable refuse into landfills without proper concerns for any residual and permanent contamination of the ground or what lies beneath. Recent implementation of rules concerning plastic products, recyclable packaging and collections, together with the public's increasing awareness of their roles in limiting waste have improved the situation, but not enough. We need more action now and the businesses who create waste products should take the lead in remedying the situation. Any bills which help that to happen are overdue and should be passed.

We are also late in providing electric vehicle infrastructure support for which there is no excuse. We have had the technology for many years. Hawaii is a state uniquely suited for electric vehicle use and any bills which promote the purchase and infrastructure development for them will go further to reduce our dependence on gasoline and the air pollution it causes than any other measures currently being discussed.

Finally bills may be passed and laws put on the books but violations and abuses by ignorant or greedy individuals, or corporate entities are prevalent and the responsible enforcement agencies are overwhelmed and short staffed. We are fortunate to have comparatively inexpensive technology available now to help those agencies do their job. Laws protecting fragile resources are useless if we cannot enforce them.

Please pass the bills through this year, because as time passes the results of not passing them now will be more difficult to deal with,

Martha E Randolph
DPH Environmental Caucus SCC Representative
Member of DPH Legislative Priorities Committee
Precinct 2 Rep, District 27 Council

HB-949

Submitted on: 2/5/2023 10:54:50 PM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

Strong support!



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of The Hawaii Solar Energy Association (HSEA) Regarding HB949, Relating to Renewable Energy, Before the House Committee on Energy and Environmental Protection

Tuesday, February 7, 2023

Aloha Chair Lowen, Vice Chair Cochran, and committee members:

The Hawaii Solar Energy Association (HSEA) **strongly supports HB949**, which establishes and appropriates funds for a solar energy storage loan program and a renewable energy loan program to provide asset limited, income constrained, employed households with low-interest loans to purchase and install residential photovoltaic and energy storage systems.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the State and leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse green economy jobs that innovate, design, and build our path to a renewable energy future. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy. These investments provide resilient power that reduces energy burden for all and contributes to energy security and reliability as we decarbonize our economy and electric grid.

HSEA and its members are actively engaged in efforts to remove barriers and increase access to affordable renewable energy. This bill would create a powerful tool to extend the benefits of distributed, rooftop solar and energy storage to underserved market segments and frontline communities, and greatly enhance Hawaii's resilience, sustainability, and equity as we decarbonize our economy and transition to clean energy.

HSEA **strongly supports HB949** and respectfully urges the committee to advance this measure.

Thank you for the opportunity to testify.

Sincerely,

/s/ Rocky Mould

Rocky Mould
Executive Director

HB-949

Submitted on: 2/6/2023 7:47:08 AM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Joni Kroll	Equal Opportunity Solar Fund	Support	Written Testimony Only

Comments:

As a co-founder of a non-profit dedicated to helping LMI families solarize (through donations of the downpayment on a solar system), I believe this bill not only helps ALICE and LMI families, it also assists Hawaii in reaching its energy sustainability goals. I am in full support of this bill and am excited to see the dedication Hawaii is making towards making solar more equitable.

Sincerely,

Joni Kroll

Co-Founder Equal Opportunity Solar, a donor advised fund with Hawaii Community Foundation

www.theeos.org

HB-949

Submitted on: 2/1/2023 11:00:50 AM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

I support HB949

HB-949

Submitted on: 2/4/2023 11:55:01 AM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Katherine Fryer	Individual	Support	Written Testimony Only

Comments:

I strongly support HB949, which would make a loan program available for low and moderate-income households to install solar panels and battery storage systems. We must protect our environment and climate by encouraging as many people as possible to transition to renewable energy, and an essential step of that process is to bring the cost within everyone's reach. Solar energy will reduce electricity bills, enabling participants to pay off their low-interest installation loans.

HB-949

Submitted on: 2/5/2023 3:43:18 PM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Morin	Individual	Support	Written Testimony Only

Comments:

February 5, 2023

SUPPORT for HB949 - RELATING TO RENEWABLE ENERGY.

Dear Chair Lowen, Vice Chair Cochran, and Committee Members,

I support HB949.

HB949 enables the adoption of renewable energy systems by ALICE households. This helps to ensure that economic vulnerability does not get in the way of households adopting energy solutions that are better for the environment and pocketbooks.

Thank you for the opportunity to testify.

Sincerely,

Noel Morin - Hilo

HB-949

Submitted on: 2/6/2023 7:42:42 AM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Doug Kroll	Individual	Support	Written Testimony Only

Comments:

I am in huge support of this bill and think it should even be funded more. It helps LMI families with approximately \$240 more a month in saved energy costs which can be some psychological support knowing you can miss a day of work if you have to without as much stress on your finances!

To know that if the power is out for several days the refrigerator and some lights will still be on. To have the roof being a working asset.

Mahalo

Dr. Douglas Kroll

HB-949

Submitted on: 2/6/2023 8:27:19 AM

Testimony for EEP on 2/7/2023 8:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Matthew Geyer	Individual	Support	In Person

Comments:

Mahalo for your support of this important bill which will help low income families participate in the solar revolution. Solar energy is the least expensive form of electricity available and this bill will help those who need it the most to have their electric bills to be lowered and price-stabilized. By encouraging families to get battery systems, this increases their resilience in the face of natural disasters and improves grid reliability.