HAWAII STATE ENERGY OFFICE
STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Thursday, February 20, 2025
9:30 AM
State Capitol, Conference Room 229 and Videoconference

In Support of
SB 588, SD1

RELATING TO RENEWABLE ENERGY.

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports the portion of SB 588, SD1, pertaining to the requirement that County permitting agencies allow self-certification by licensed professionals in order to obtain permits to begin construction on customer-sited solar distributed energy systems. HSEO supports the further development of the portion of the bill pertaining to Federal Emergency Management Agency (FEMA) flood zone valuation calculations.

The bill seeks to address two issues commonly cited in delays to installation of customer-sited solar systems. Improvements in these areas are urgent, as time is of the essence due to potential reductions of federal tax credits; future cost increases due to tariffs; critical installation to provide backup power for public safety power shutoffs; as well as ongoing concerns over energy security and greenhouse gas emissions.

HSEO recognizes that individual permitting agencies are taking steps to improve the permitting for solar photovoltaic and battery installations.

HSEO looks forward to working with interested parties on this bill, which is consistent with existing statutory responsibilities of HSEO and of the Chief Energy Officer, including those set forth in Section 196-72 (d):

(2) Identify, track, and report key performance measures and milestones related to the State's energy and decarbonization goals;

(3) Provide technical assistance to state and county agencies to assess and implement projects and programs related to energy conservation and efficiency, renewable energy … and related measures;

And also

(15) Facilitate the efficient, expedited permitting of energy efficiency, renewable energy, clean transportation, and energy resiliency projects.

Regarding the self-certification section of the bill, HSEO notes the efficiency of the concept and looks forward to supporting the authorities having jurisdiction as they evaluate allowing residential and commercial on-site solar distributed energy resource systems to **begin** construction, with the understanding (based on discussions on a similar bill introduced last year) that final compliance review and approval will take place at the time of final inspection by the authority having jurisdiction (i.e. permitting agency).

This is consistent with Executive Order No. 25-01 (Accelerating Hawai‘i’s Transition Toward 100 Percent Renewable Energy) issued by Governor Green on January 27, 2025 that among other things calls for establishing programs for same-day online permit issuance of all single-family residential homes, self-certification permitting for all townhome projects twenty kilowatts and under, and professional self-certification for permitting behind-the-meter customer-sited solar, energy storage, and energy efficiency measures for commercial and multifamily and condominium projects.

Regarding the FEMA portion of the bill, HSEO has heard of this approach in other jurisdictions,[1] and is willing to work with others on satisfactory language.

Thank you for the opportunity to testify.

[1] Personal communication, SolSmart, 2024; StPeteBeach; PimaCountyArizonaLeasedSystems;

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR

Hawaii Green Infrastructure Authority
An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
February 20, 2025, 9:30 AM
State Capitol, Conference Room 229
in consideration of
SENATE BILL NO. 588, SD1
RELATING TO RENEWABLE ENERGY

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee on Commerce and Consumer Protection:

Thank you for the opportunity to testify and provide comments on Senate Bill No. 588, SD1 relating to renewable energy. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill which authorizes government entities to establish a self-certification process for behind-the-meter, customer-sited solar distributed energy resources, like rooftop solar, and requires them to develop FEMA-accepted guidance for determining when such systems located in floodways do not require No-Rise Certifications.

This bill would promote efficiency in the permitting processes, saving ratepayers and contractors time and money while enabling faster reduction of carbon emissions. Self-certification by licensed professionals would reduce delays and bottlenecks caused by potential staffing and resource shortages in permitting agencies. While county permitting agencies have made major strides in efficiency, properties located in designated floodways continue to require significantly more time for approval, causing ratepayers interested in installing solar to face waittimes between their initial application and actual system installation. The measure within this bill to exempt certain systems from related requirements would remove a significant bottleneck in installation without compromising the overall flood resiliency of rooftop solar structures.

This measure would also remove a potential administrative barrier to the implementation of the Governor's Executive Order 25-01, which accelerates Hawaii's transition toward 100% renewable energy by maximizing distributed solar energy paired with battery storage to low and moderate-income residents with a target of 10,000 installations annually. This measure also aligns with the recommendations of SolSmart, a solar permitting efficiency technical assistance provider which is a partner of both HGIA and the Hawaii State Energy Office.

HGIA defers to the authorities having jurisdiction over the proposed self-certification process regarding its technical implementation.

Thank you for this opportunity to testify and provide comments on Senate Bill No. 588, SD1.

Testimony of the Contractors License Board

Before the
Senate Committee on Commerce and Consumer Protection

Thursday, February 20, 2025
9:30 a.m.
Conference Room 229 and Videoconference

On the following measure:
S.B. 588, SD 1 RELATING TO RENEWABLE ENERGY

Chair Keohokalole, and Members of the Committee:

My name is Candace Ito, and I am the Executive Officer of the Contractors License Board (Board). The Board opposes this bill.

The purposes of this bill are to: (1) authorize certain state government entities to establish a self-certification process for behind-the-meter, customer-sited solar distributed energy resource systems; and (2) exempt the systems from the Federal Emergency Management Agency No-Rise/No-Impact declaration requirements under certain circumstances.

While the Board does not object to the intent of this bill to lower administrative barriers during the permitting process, the Board believes it should not be done at the risk of consumer safety. The Board has serious concerns because this bill does not exclude commercial on-site solar distributed energy resource systems. Commercial and large utility-scale photovoltaic plant projects are complex, and do not appear to be suited to a self-certification permitting process.

The Board also has concerns regarding the confirmation from the licensed installer that the project will comply with all applicable codes and laws on page 4, lines 1 to 4, and requests that this measure include a requirement for an inspection prior to closing the permit to ensure the installation is in compliance with all appliable codes and laws.

The Board believes that the self-certification permit process is better suited for residential solar distributed energy resource systems, provided that there is an

inspection following the completion of the project that deems the installation to be in compliance with all applicable codes and laws.

Thank you for the opportunity to testify on this bill.

Chair and Members of the Committee:

The Hawaii EV Association **strongly supports, with amendments**, SB588 SD1, which would streamline the permitting process for distributed energy resources including solar and energy storage systems. As an organization dedicated to accelerating Hawaii's transition to clean transportation, we view this bill as critical infrastructure legislation that will help enable widespread EV adoption.

The bill's provisions for self-certification and standardized permitting would significantly reduce administrative barriers for homeowners seeking to install solar and storage systems. This is particularly important for EV owners, who often seek to pair their vehicle charging with home solar to maximize environmental benefits and manage electricity costs. The current permitting process can add substantial delays and costs, potentially deterring some homeowners from installing the clean energy systems that make EV ownership even more attractive and affordable.

We especially appreciate that this legislation maintains appropriate safety standards while reducing unnecessary administrative burden. The requirement for licensed professionals to certify compliance with all applicable codes ensures public safety while still expediting the process.

We **recommend that the bill be modified as follows**:

1. The bill should explicitly mention EV charging infrastructure in its definitions of "solar distributed energy resource system" to ensure charging equipment is included in streamlined permitting improvements
2. Consider adding language to prioritize permit processing for projects that include EV charging capabilities
3. The bill could include provisions for multi-unit dwellings, which are particularly important for expanding EV adoption in urban areas

We respectfully urge you to amend and pass this measure.

Sincerely,

Tam Hunt

Policy Committee Chair

Hawaii EV Association

1050 Bishop St. PMB 235 |
Honolulu, HI 96813
P: 808-533-1292 | e:
info@hawaiifood.com

Executive Officers
Maile Miyashiro, C&S Wholesale Grocer, *Chair*
Kit Okimoto, Okimoto Corp., *Vice Chair*
Jayson Watts, Mahi Pono, *Secretary/Treasurer*
Lauren Zirbel, HFIA, *Executive Director*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*
Joe Carter, Coca-Cola Bottling of Hawaii, *Advisor*
Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Immediate Past Chair*

TO: Committe on Ways and Means
FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 20, 2025
TIME: 9:30am

RE: SB588 SD1 Relating to Renewable Energy
Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure. As this measure notes to encourage the adoption of renewable energy Hawaii must lower the administrative barriers that constrain deployment of residential and commercial-scale distributed energy resources. Furthermore, the permitting review process currently adds substantial time and cost to the adoption of residential solar and energy storage projects and that self-certification by duly licensed design professionals can 2significantly reduce this time, cost, and administrative burden without sacrificing public health and safety.

Allowing self-certification and lowering the administrative barriers to the deployment of energy generation and storage technology has a range of benefits for Hawaii's food systems and our state.

Removes an Unnecessary Roadblock to More Sustainable and Resilient Energy in Hawaii -
In a recent meeting many HFIA members were asked, "How would state incentivized solar and batteries positively impact your business, and/or the food industry in Hawaii? What is the main obstacle preventing you from transitioning to renewable energy for your business?" Overwhelming the answer that received the most votes was, "Simplify permit

zoning approval processing." This reply received more than 6 times as many votes as "Money, credits, incentives." Existing and future tax credits and incentives are an important part of creating a sustainable energy future for our state, but right now what businesses need in order to allow them to make the switch is a less onerous permitting process.

Making Essential Industries More Sustainable Makes Our State More Sustainable
To make progress on our State and national greenhouse reduction goals, it's important to address energy usage in essential industries. Our essential industries are those that are necessary for our residents to live and function. These industries, including the food industry, have certain energy demands that must be met in order for our state to run. If we can meet these energy demands more sustainably our entire state becomes more sustainable.

Make Our Food Industry More Resilient and Our State More Resilient -
All residents in our State rely on the food supply chain to feed them in good times and in times of crisis. Increasing the use of energy generation and storage within our state's food systems means that if the power grid is interrupted during a time of crisis these essential businesses can continue to function. Making the permitting process for energy generation and storage less of an obstacle will allow for increased usage in the food industry. This can be especially beneficial in areas that are more susceptible to disruptions in power supply and transportation routes in times of crisis. Creating a food supply chain that is more energy self-sufficient and resilient should be a priority in order to make mass feeding more feasible and equitable in case of a natural disaster or other crisis.

Streamlining the Permitting Process Can Be Done With Little To No Cost to the State -
Increasing the sustainability and resiliency of our state is a goal we all share. Unfortunately, the current system of permitting for energy generation and storage has created unnecessary obstacles to meeting that goal. Streamlining this process will move the state in the right direction, without costing the state. Creating a streamlined, consistent, permitting process is an efficient way to ensure that all regulations, rules, and safety guidelines are adhered to, and can help relieve some of the backlog in the Counties' overburdened permitting systems. This requires no investment from the State, and will encourage growth in key areas necessary for meeting our de-carbonization and resiliency goals.

We encourage the committee to pass this measure and we thank you for the opportunity to testify.

CLIMATE FUTURE FORUM

Date:	February 17th 2025
To:	Senator Jarret Keohokalole, Chair Senator Carol Fukunaga, Vice Chair Members of the Senate Committee on Commerce and Consumer Protection (CPN)
From:	Climate Future Forum
Re:	**SUPPORT for SB588 SD1**
Hearing:	**2/20/25 9:30A**

On behalf of the Climate Future Forum, thank you for the opportunity to testify in support of SB588, which takes a vital step in breaking down barriers to clean energy adoption by streamlining the permitting process for residential and commercial solar energy storage projects. This bill makes it easier for homeowners and businesses to install solar panels and energy storage systems by allowing self-certification for permits and reducing unnecessary administrative delays.

As a young person growing up in Hawaii, I've seen how our islands have led the charge on renewable energy, yet I've also seen firsthand how slow and frustrating the permitting process can be for those trying to make the switch. Many of my peers and their families want to install solar panels to reduce their energy bills and carbon footprint, but bureaucratic red tape makes it an expensive and time-consuming challenge. SB588 removes these unnecessary roadblocks, allowing more families to transition to clean energy without the stress of long wait times and high permitting costs.

This bill is about more than just making the process easier—it's about making solar energy accessible to everyone. Right now, people who have the resources to navigate complicated permitting procedures can move forward, but lower-income families often get stuck in the system, delaying their ability to save on energy costs. By implementing a standardized, efficient self-certification process, SB588 ensures that renewable energy is not just for the privileged few, but for all Hawaii residents.

The Climate Future Forum engages youth across the state, and we consistently hear from students who are eager for Hawaii to take more ambitious climate action. This bill is exactly the kind of practical, meaningful step we need to accelerate the transition to renewable energy. By reducing unnecessary permitting barriers, SB588 will help Hawaii meet its 100% renewable energy goal by 2045 while ensuring that residents can more easily access clean, affordable power.

As someone who will inherit the future we are shaping today, I urge you to pass SB588 and show that Hawaii is committed to real climate solutions. The time for half-measures and delays is over—we need bold, effective action now.

Thank you very much for your support of youth engagement in climate policy. We respectfully request that you pass SB588 to empower our communities to embrace clean energy without unnecessary obstacles.

Sincerely,
Tahan Bapna
Youth Leader of Hawai‘i Climate Future Forum

Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of the Hawaii Solar Energy Association (HSEA) Regarding SB588 SD1, Relating to Renewable Energy, Before the Senate Committee on Commerce and Consumer Protection

Thursday, February 20, 2025

Aloha Chair Keohokalole, Vice Chair Fukunaga, and committee members,

The **Hawaii Solar Energy Association (HSEA) supports the intent of SB588 SD1** to implement professional self-certification but offers critical amendments to **remove references to FEMA flood zones.** While we understand the intent of these provisions, they introduce unnecessary regulatory and administrative barriers that could impede solar and energy storage deployment.

Streamlining Permitting to Accelerate Clean Energy

Hawaii's commitment to **100% renewable energy by 2045** requires reducing administrative delays that slow the adoption of solar and energy storage. **Permitting self-certification by licensed professionals** is a practical, proven approach that cuts red tape while ensuring compliance with health and safety codes.

Lowering Costs and Expanding Access

By **modernizing permitting**, this bill reduces project timelines and costs, benefiting homeowners and businesses alike. Self-certification minimizes unnecessary bureaucratic hurdles without sacrificing quality or safety.

Enhancing Efficiency and Accountability

SB588 SD1 **incorporates remote inspections and digital tools** to improve the permitting process while maintaining transparency. Establishing clear timelines for permit approval and closure ensures accountability across agencies.

Boosting Hawaii's Clean Energy Economy

A streamlined permitting process will **create jobs, attract investment, and foster innovation** in Hawaii's renewable energy sector. By removing unnecessary barriers, this bill supports a thriving clean energy economy.

Proposed Amendments to Remove FEMA Provisions

Hawaii Solar Energy Association
Serving Hawaii Since 1977

HSEA offers critical amendments to **remove FEMA flood zone references**, including:

- The section specifically addressing FEMA flood zones
- Any FEMA-related language in the self-certification process

These provisions would introduce burdensome requirements that could **significantly hinder** solar and energy storage adoption.

Our suggested amendments are as follows:

"§196- **Self-certification; solar projects; energy storage projects.** (a) By , each government entity in the State that issues building permits shall establish an efficient and standardized self-certification process for behind-the-meter, customer-sited solar distributed energy resource systems that deems permit applications approved and allows applicants to proceed to build the solar distributed energy resource system immediately; provided that the government entity receives written notice from:

~~(1) The solar distributed energy resource system project is not located on a property within a special flood hazard area as identified on Federal Emergency Management Agency's current Flood Insurance Rate Maps; and~~

(1) The ~~government entity receives from the~~ project owner, or agent of the project owner, that the project owner:

~~(A) A copy of any written notification prepared by the appropriate government entity, in response to a request for determination from the project~~

~~owner or agent of the project owner, that the proposed project is not required to comply with federal, state, or county floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to the requirements of the National Flood Insurance Program;~~

~~(B)~~ ~~A~~ requests ~~for~~ issuance of the permit ~~that includes a statement that the owner or agent of the owner~~ and is prepared to pay any required fees; and

(C) Proof of a valid license in the respective field for any professional installing the project and confirmation that the installation of the project will comply with all applicable codes and laws.

(b) The self-certification process shall allow a project's relevant professionals to conduct permit reviews and inspections using commercially available software and the professionals' approvals shall be accepted without additional documentation; provided that the submitted documentation demonstrates compliance with all applicable codes and laws. In addition, the self-certification process shall allow a project's relevant design professionals to utilize offline field reports for

inspections to ensure faster reviews without added cost or delays.

(c) If the requirements of subsection (a) and (b) are satisfied, the applicable government entity in the State that issues building permits shall issue the building permit number and close the permit within thirty days after the date that the application was submitted; provided that a final inspection after the completion of the project has deemed the installation to be in compliance with all applicable codes and laws before the closing of the permit.

(d) As used in this section:

"Offline field report" means a report that uses photos and videos taken of the project on site and submitted to a permitting authority to allow inspection remotely and asynchronously.

"Solar distributed energy resource system" means an assembly of solar energy-generating or energy-storing materials, or any combined assembly of solar energy-generating and energy-storing materials, and the related infrastructure necessary for its operation.

~~**§196- Solar distributed energy resource systems; No-Rise/No-Impact declaration requirements.** (a) Any government entity in the State that issues building permits shall exempt~~

~~behind-the-meter, customer-sited solar distributed energy resource systems from the Federal Emergency Management Agency's No-Rise/No-Impact declaration requirements; provided that the project is not located within a regulatory floodway as identified on the Federal Emergency Management Agency's current Flood Insurance Rate Maps.~~

~~(b) Each government entity in the State that issues building permits shall develop Federal Emergency Management Agency-accepted guidance for determining specific conditions when a No-Rise Certification is not required for a solar distributed energy resource system located in a regulatory floodway as identified on the Federal Emergency Management Agency's current Flood Insurance Rate Maps.~~

~~(c) Notwithstanding subsections (a) and (b), the project owner or agent of the project owner shall:~~

~~(1) Comply with all applicable codes and laws;~~

~~(2) Properly install the system on an already existing structure; and~~

~~(3) Not create additional obstruction within the regulatory floodway."~~

With these critical amendments, SB588 SD1 will facilitate faster, more cost-effective solar and energy storage deployment while maintaining safety and compliance.

Thank you for the opportunity to testify.

Sincerely,

/s/ Rocky Mould

Executive Director

About HSEA

Since 1977, HSEA has been advocating for policies that help Hawaii achieve critical climate, energy security, and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy. These investments provide reliable and affordable power, reducing energy cost burdens and contributing to Hawaii's economic sustainability as we decarbonize our economy and electric grid.

HSEA's membership includes the majority of locally owned and operated solar and energy storage companies doing business in Hawaii, along with leading global cleantech manufacturers and service providers active in our market. Together, we employ thousands of Hawaii residents in diverse green economy jobs that drive innovation, design, and construction of Hawaii's renewable energy infrastructure.

Hawaii is a global leader in renewable energy deployment, particularly in customer-sited rooftop solar and energy storage. Customer-sited rooftop solar accounts for 47% of renewable energy added to grids in Hawaiian Electric service areas (Oahu, Maui County, and the Big Island) and 21% in the Kauai Island Utility Cooperative area. Additionally, Hawaii leads the nation in pairing rooftop solar with battery storage, with 96% of new residential installations including storage. These achievements underscore Hawaii's role as a pioneer in clean energy transformation.

Legislative Testimony of Sunrun Inc.
Before the CPN Committee
February 20, 2025

IN SUPPORT of SB588 SD1 – Relating to Renewable Energy
WITH PROPOSED AMENDMENTS

Dear Chair Keohokalole, Vice Chair Fukunaga, and distinguished Members of the Committee on Commerce and Consumer Protection,

Sunrun is the nation's leading home solar, battery storage and energy services company, and has a long and proud history in Hawai'i with office and warehouse locations on O'ahu, Maui, and Hawai'i Islands. We employ more than 350 professions across the islands, including sales/marketers, customer experience professionals, and installation team members including electrical inspectors, technicians, forepersons and warehouse personnel.

Sunrun supports the intent of SB588 SD1 to streamline permitting for clean energy projects but offers critical amendments to **remove references to FEMA flood zones as proposed in the Hawai'i Solar Energy Association's (HSEA) written testimony.** Although these provisions are well-intentioned, they create excessive regulatory and administrative hurdles that could hinder the deployment of solar and energy storage.

SB588 SD1, if amended, would expedite clean energy by streamlining the permitting process, which would help Hawai'i and its residents achieve key affordability, reliability, resilience, and sustainability goals. Permitting self-certification by licensed professionals is a practical, proven approach that cuts red tape while ensuring compliance with health and safety codes. Modernizing permitting with this bill reduces project timelines and costs, benefiting both homeowners and businesses. Self-certification is a proven approach which minimizes unnecessary bureaucratic hurdles without sacrificing quality or safety. Further, SB588 SD1 incorporates remote inspections and digital tools to improve the permitting process while maintaining transparency. The bill also establishes clear timelines for permit approval and closure to ensure accountability across agencies. A streamlined permitting process will create jobs, attract investment, and foster innovation in Hawai'i's renewable energy sector, supporting a thriving clean energy economy by removing unnecessary barriers.

Sunrun offers critical amendments to remove FEMA flood zone references as detailed in HSEA's written testimony, including removing:

- The section specifically addressing FEMA flood zones, and
- Any FEMA-related language in the self-certification process.

These provisions would introduce burdensome requirements that could significantly hinder solar and energy storage adoption.

Hawai‘i has a 100% renewable portfolio standard (RPS) by 2045,[1] and DER systems are critical to achieving the state’s RPS goals. Hawaiian Electric (HECO) recently reported achieving a 36% consolidated RPS in 2024, largely due to continued distributed energy resource (DER) adoption.[2] Rooftop solar is the leading contributor to Hawai‘i’s clean energy portfolio, generating around 44% of all renewable energy in the state. Continued implementation of rooftop solar has proven to be a strong component of the state’s renewable energy generation and contributes to a more resilient energy system while lowering energy costs for all ratepayers.

With the proposed critical amendments, SB588 SD1 will facilitate faster, more cost-effective solar and energy storage deployment while maintaining safety and compliance. Sunrun supports SB588 so long as the requested amendments are incorporated and respectfully urges the committee to amend and advance this measure. Mahalo for the opportunity to provide testimony on this critical legislation. As a national solar, storage and energy services company, Sunrun has a broad view of states’ clean energy policies and stands ready to assist Hawai‘i with its policy goals.

[1] https://energy.hawaii.gov/what-we-do/clean-energy-vision/

[2] https://www.hawaiianelectric.com/hawaiian-electric-surges-to-36-renewable-energy-on-grids

SB-588-SD-1
Submitted on: 2/16/2025 3:52:24 PM
Testimony for CPN on 2/20/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

I appreciate that the permitting process for solar energy is being expedited with this bill. When we got our system in 2019 it took almost 2 years to get a permit.

Good bill

Thank you

Mrs Ruth Love

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

LEODOLOFF R. ASUNCION, JR.
CHAIR

NAOMI U. KUWAYE
COMMISSIONER

COLIN A. YOST
COMMISSIONER

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PUBLIC UTILITIES COMMISSION
465 S. KING STREET, #103
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Testimony of the Public Utilities Commission

To the
Senate Committee on
Commerce and Consumer Protection

February 20, 2025
9:30 a.m.

Chairs Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

Measure: S.B. No. 588, S.D. 1
Title: RELATING TO RENEWABLE ENERGY.

Position:

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

Comments:

The Commission appreciates the intent of this measure to streamline processes for permitting to promote the production of clean electricity and understands that customer-sited solar distributed energy resource ("DER") systems play an important role in the State's transition to renewable energy.

The Commission emphasizes that the safe, reliable operation of Hawaii's island grids are important to everyone. Hawaii's electric grids can only absorb a finite amount of energy during the middle of the day when solar systems are at their maximum output. To increase the amount of solar energy the grid can handle, the State's electric utilities are using a combination of system upgrades and adjusting their operations to bring more renewable energy onto the grid, while still maintaining safe and reliable delivery of electricity to customers. At the same time, owners of solar energy-generating, energy-storing materials, and other renewable energy systems will need to use advanced technologies to help maintain a stable and reliable grid.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR | KE KIAʻĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIAʻĀINA

STATE OF HAWAIʻI | KA MOKUʻĀINA ʻO HAWAIʻI
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA ʻOIHANA KUMUWAIWAI ʻĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RYAN K.P. KANAKAʻOLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

LATE

Testimony of
DAWN N.S. CHANG
Chairperson

Before the Senate Committee on
COMMERCE AND CONSUMER PROTECTION

Thursday, February 20, 2025
9:30 AM
State Capitol, Conference Room 229

In consideration of
SENATE BILL 588 SENATE DRAFT 1
RELATING TO RENEWABLE ENERGY

Senate Bill (SB) 588 Senate Draft 1 proposes to authorize certain state government entities to establish a self-certification process for behind-the-meter, customer-sited solar distributed energy resource systems and exempt the systems from the Federal Emergency Management Agency No-Rise/No-Impact declaration requirements under certain circumstances. **The Department of Land and Natural Resources (Department) supports this measure as amended.**

The Department appreciates the Senate Committees on ENERGY AND INTERGOVERNMENTAL AFFAIRS (EIG) and GOVERNMENT OPERATIONS (GVO) for recognizing the Department's concerns regarding the proposed language in SB588 and the unintended consequences of allowing blanket exemptions from the National Flood Insurance Program (NFIP) regulations.

The State and counties are participating communities in the NFIP and are subject to compliance with federal regulations set forth with the National Flood Insurance Act of 1968 (42 U.S.C. §§4001). Any State or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program[1]. The unintended consequences of program suspension include the following:

[1] See 44CFR§ 59.24

- No federal flood insurance can be sold or renewed in non-participating communities. The Federal government requires flood insurance for all buildings located in an NFIP-regulated Special Flood Hazard Area and secured with a federally backed loan.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available in the event of a Presidential Disaster Declaration.

The Department recommends the amendments in SB588 SD1 made by EIG/GVO be retained.

Mahalo for the opportunity to provide testimony in support of this measure as amended.

SIERRA CLUB OF HAWAIʻI

LATE

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

February 20, 2025 9:30 AM Conference Room 229

In SUPPORT of SB588 SD1: Relating to Renewable Energy

Aloha Chair Keohokālole, Vice Chair Fukunaga, and Members of the Committee,

On behalf of our over 20,000 members and supporters, the Sierra Club of Hawaiʻi **SUPPORTS** SB588 SD1**,** which will help to enhance our islands' climate resiliency by expanding our distributed renewable energy infrastructure in a timely and equitable manner.

Hawaiʻi's continued dependence on fossil fuels not only contributes to the climate crisis that has already reached our islands' shores – in the form of historic floods, prolonged droughts, wildfires, repeated coral bleaching events, the proliferation of invasive species, and the extinction of native species, among others – but also subjects our residents and businesses to the ever-increasing costs of fossil fuels, exacerbating the financial instability faced by so many who call these islands home. Moreover, our dependence on a centralized grid can render us particularly vulnerable to power outages caused by extreme weather or other events that compromise centralized energy producing facilities. **Accordingly, the equitable development of distributed renewable energy infrastructure, such as distributed solar energy systems, is an important and necessary strategy to help reduce our islands' contributions to the climate crisis, free our utility costs from the ballooning price of fossil fuels, and ensure greater energy resiliency should a climate change-related extreme weather event impact our islands' largely centralized energy infrastructure**.

The provisions contained in this measure, including those empowering licensed professionals to use readily available commercial software and to self-certify solar and energy storage systems, can reduce the cost, time, and risk in realizing the benefits of greater distributed renewable energy infrastructure throughout the islands. The Sierra Club appreciates that this measure may also particularly benefit those that have not yet been able to install or participate in a solar and energy storage project. SB588 SD1 is therefore an important step forward to ensure a timely and equitable transition towards a cheaper, more resilient, and climate-friendly energy future for our islands.

We do ask for the Committee's consideration of the concerns raised regarding the necessity of the FEMA flood zone insurance references made in the SD1 amendments to this measure, which we understand may substantially reduce its beneficial impacts.

SIERRA CLUB OF HAWAIʻI

Accordingly, the Sierra Club of Hawaiʻi respectfully urges the Committees to **PASS** SB588 SD1, subject to the consideration noted above. Mahalo nui for the opportunity to testify.

LATE

To: The Senate Committee on Commerce and Consumer Protection (CPN)
From: Sherry Pollack, 350Hawaii.org
Date: Thursday, February 20, 2025, 9:30am

In support of SB588 SD1, but with critical amendments

Aloha Chair Keohokalole, Vice Chair Fukunaga, and members of the CPN committee,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is **in support of the intent of SB588 SD1, and fully supports the criticial amendments offered by HSEA.** These amendments **remove references to FEMA flood zones.** While the intent of these provisions is appreciated, they introduce unnecessary regulatory and administrative barriers that could impede solar and energy storage deployment. HSEA's suggested amendments will help to streamline solar and energy storage deployment, ***without*** **compromising on maintaining safety and compliance.** Addressing these permitting issues is essential if Hawaii is to achieve its decarbonization goals, reduce costs for residents, and become more resilient.

Bottom line: Rooftop solar and energy storage projects that don't expand the footprint of existing structures should not need the same scrutiny as new build and more complex projects in floodways. If a duly licensed design professional certifies that a solar project's plans are compliant with all applicable laws and codes, the project should not be delayed from proceeding to construction. The final compliance review and approval can occur at inspection. This will speed up the overall process and significantly enhance current efforts at the municipal level.

With the highest electrical rates in the country and the impacts of climate change already being felt, we need to move forward on smart solutions that will help to stimulate our economy and make us more resilient. The current system for processing permits in federally designated flood zones is untenable and a detriment to Hawaii achieving our clean energy goals. This measure, with the critical amendments noted, will remove unnecessary barriers and move us to the clean-energy economy we need.

Mahalo for the opportunity to testify on this very important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org

GRASSROOT INSTITUTE OF HAWAII

LATE

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Honolulu, HI 96813
808-864-1776
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Removing barriers to Hawaii's prosperity

Feb. 20, 2025, 9:30 a.m.
Hawaii State Capitol
Conference Room 229 and Videoconference

To: Senate Committee on Commerce and Consumer Protection
Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: SB588 SD1 — RELATING TO RENEWABLE ENERGY

Aloha Chair Keohokalole, Vice-Chair Fukunaga and other members of the Committee,

The Grassroot Institute of Hawaii **supports** SB588 SD1, which would require that each county establish a self-certification process for the approval of certain solar energy systems and change certain flood zone rules for solar energy systems.

Self-certification programs allow qualified architects and engineers to approve permits without review from county building departments. Mandating that self-certification be an option for individuals looking to install solar panels on their homes or businesses would streamline the process.

As Grassroot identified in its 2024 report "Seven low-cost ways to speed up permitting in Hawaii," solar applications often make up a large part of county building permit reviews. According to the report:

> Obtaining building permits to install new solar panels and solar-plus-storage systems can be a lengthy process. This is due in part to the sheer volume of building permits filed for solar panels. In Hawai'i County, for example, almost one-third of permits issued between November 2024 and March 2024 — about 1,300 — were for residential solar panels. During that time, Hawai'i County had an average approval time of 33 days for residential solar projects, provided the permits were not returned to the applicants for corrections. Non-residential solar permits had a 45-day average approval time.[1]

[1] Jonathan Helton, "Seven low-cost ways to speed up permitting in Hawaii," Grassroot Institute of Hawaii, October 2024, p. 7.

Honolulu County already offers a self-certification process and an online permitting tool for solar panels; however, the county's implementation has hit a few snags and is not yet as fast as it could be. Still, Honolulu has been issuing solar permits faster than other building permits.

For example, between July 1, 2023, and June 30, 2024, 47% of the Honolulu permits issued were tagged as "solar" or "solarPVinstallation." The wait time for these permits, from application to issuance, averaged 38 days, compared to 239 for all other Honolulu permits.[2]

The Honolulu City Council adopted a self-certification process for solar projects in 2024,[3] so the other counties will have a model to follow if this bill, SB588, advances.

SB588 would also exempt solar energy systems from the Federal Emergency Management Agency's No-Rise/No-Impact rules for flood zones, subject to certain limitations.

These flood-zone rules are intended to discourage construction in areas with higher flood risks; however, there is no reason solar panels on a home in a flood zone would increase the home's risk for flooding, so an exemption makes sense.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

[2] Calculations performed using: "Building Permits - January 1, 2005 through June 30, 2024," Data.gov, July 13, 2024.
[3] Honolulu City and County Ordinance 24-30.

Kauaʻi Island Utility Cooperative
Your Touchstone Energy® Cooperative

LATE

Testimony Before the Senate Committee on Commerce and Consumer Protection

By David Bissell
President and Chief Executive Officer
Kauaʻi Island Utility Cooperative
4463 Paheʻe Street, Suite 1, Līhuʻe, Hawaiʻi, 96766-2000

Thursday, February 20, 2025; 9:30 am
Conference Room #229 & Videoconference

Senate Bill No. 588 SD1 – RELATING TO RENEWABLE ENERGY

To the Honorable Chair Jarrett Keohokalole, Vice Chair Carol Fukunaga, and Members of the Committee:

LATE

Kauaʻi Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 34,000 commercial and residential members.

KIUC offers amendments to this measure.

Over the past 10 years, KIUC has significantly increased its renewable generation. In 2010, KIUC's energy mix included 10% renewable. Over the past five years, renewable production on Kauaʻi has averaged between 50% and 70%. In addition, since 2019 KIUC has operated the Kauaʻi electric grid at 100% renewable for thousands of hours on sunny days. KIUC's renewable mix currently includes biomass, biofuels, hydropower, utility-scale solar, utility-scale paired with battery energy storage systems (BESS), and distributed (rooftop) solar.

Specific to its solar generating capacity, KIUC currently has 119.7 megawatts of total solar generating capacity: roughly 35% of which comes from rooftop solar. The number of rooftop solar systems on Kauaʻi has risen from 388 in 2010 to more than 6,500 today. Of that total, 2,100 have batteries. In 2024 KIUC members added 498 new rooftop solar systems with 323 members adding a battery storage component to either new or existing systems.

KIUC's board of directors has set a goal of reaching 100% renewable by 2033, twelve years ahead of the State of Hawaiʻi mandate. We have identified a viable path to reaching that goal via a combination of additional utility scale solar + BESS projects, projected continued growth in the number of member-owned rooftop solar systems, and expanded use of biofuels.

To ensure that members realize the optimum benefit from PV systems KIUC has created parameters and guidelines which follow established Tariff requirements. Before installing a system, rules established by the Hawai'i Public Utilities Commission require customers to submit an interconnection request application to KIUC for an engineering review. This step is extremely important and ensures that the PV system can be safely and reliably tied into the utility grid and ensures the member understands the rules of the interconnection agreement.

Occasionally, interconnection request applications are not submitted, and systems are installed without a Notice to Proceed from KIUC. Often these are large systems that have the potential to create grid stability issues. Over the past year, we have worked collaboratively with the County of Kauaʻi, and the County is now requiring electrical inspectors to verify a Notice to Proceed issued by KIUC to the property owner/contractor before completing an inspection.

KIUC specifically requests that the proposed amendment to §196-___ be amended as follows (changes highlighted):

> "§196- Self-certification; solar projects; energy storage projects. (a) Any government entity in the State that issues building permits in any area of the State served by an investor-owned electric utility shall establish a self-certification process for behind-the-meter, customer-sites solar distributed energy resource systems that deems permit applications approved and allows applications to proceed to build the solar distributed energy resource system immediately; provided that the government entity receives written notice from:…"

It is important to note that the unique circumstances of each of Hawaiʻi's distinct island grids must be considered when determining the relative value of customer-sited distributed energy resources. While an island like Oʻahu is land-constrained and will presumably need to take advantage of as much rooftop space as possible to reach mandated renewable targets, the same is not true for Kauaʻi. KIUC has taken advantage of the availability of tens of thousands of acres of fallow, sub-standard agricultural lands to develop utility-scale solar projects under long-term, fixed-price power purchase agreements. As a result, KIUC's rates went from being the highest in the state to the lowest when Kauaʻi hit its peak renewable generating capacity between 2021 and 2024. This is directly attributable to the relatively low cost of solar generated by utility-scale solar projects brought online between 2015 and 2021.

In the event this legislation progresses, KIUC would recommend that member-owned electric cooperatives be exempted from its provisions.

Mahalo for the opportunity to comment.

LATE

Carbon Cashback Hawai`i
carboncashbackhawaii@gmail.com
carboncashbackhawaii.org

February 19, 2025

SUPPORT FOR SB588 SD1 – Relating to Renewable Energy

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the CPN Committee:

Carbon Cashback Hawai`i supports bills that reduce emissions in a cost-effective and equitable manner and therefore **supports SB588.** It would reduce greenhouse gas emissions by removing a barrier to the installation of rooftop solar without sacrificing safety and require no monies from the government.

Delays in the permitting process have hampered the installation of solar panels and solar batteries, which are essential to reducing Hawaii's dependence on imported fossil fuels and achieving its clean energy goals. Simple residential solar projects can take as long as nine months to approve.

This bill would streamline the permitting process by creating a self-certification pathway for commercial and residential solar, as well as energy storage. The bill would require relevant design professionals to review and authorize permits to build that are consistent with existing laws and codes. Importantly, this bill would not eliminate final inspections.

This bill would make solar energy more accessible, accelerate Hawaii's transition to a clean, renewable energy economy, while maintaining strong safety and compliance measures. Carbon Cashback Hawai`i urges the committee to **pass SB588 SD1 out of your committee**.

Mahalo for this opportunity to testify.

Respectfully,

Paul Bernstein
Carbon Cashback Hawai`i