JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

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

Testimony of
DAWN N.S. CHANG
Chairperson

Before the Senate Committees on
ENERGY AND INTERGOVERNMENTAL AFFAIRS
and
GOVERNMENT OPERATIONS

Thursday, January 30, 2025
3:00 PM
State Capitol, Conference Room 225

In consideration of
SENATE BILL 588
RELATING TO RENEWABLE ENERGY

Senate Bill (SB) 588 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) acknowledges the intent of this measure and offers the following comments and suggested amendments.**

The State and counties are participating communities in the National Flood Insurance Program (NFIP) and are subject to compliance with federal regulations set forth with the National Flood Insurance Act of 1968 (42 U.S.C. §§4001).

The Department expresses serious concern with several provisions within this measure as they are inconsistent with the NFIP participation requirements[1].

Pursuant to 44 CFR §60.3, all proposed development encroaching within Special Flood Hazard Areas (SFHA) identified as "A" or "V" type flood zones on the Federal Emergency Management Agency's

[1] *See* Title 44 of the Code of Federal Regulations (CFR) §59.22

(FEMA's) Flood Insurance Rate Maps (FIRM) must be reviewed by a community[2] official for floodplain management compliance and issued a building and/or development permit **prior** to construction. Floodplain management regulations also mandate community officials to assess all proposed development for substantial improvement[3] compliance. FEMA requires the cost of solar and energy storage system be included in the community's substantial improvement assessment[4].

Any State or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program[5]. The unintended consequences of program suspension, include the following:

- No federal flood insurance can be sold or renewed in non-participating communities. The Federal government requires flood insurance for all buildings located in a SFHA 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 following amendments to SB588:

"**§196- Self-certification; solar projects; energy storage projects.** (a) Any government entity in the State that issues building permits shall establish a 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 *solar and energy storage project is not located on a property within a Special Flood Hazard Area as identified on the current Federal*

[2] "Community" means *any State or area or political subdivision thereof, or any Indian tribe or authorized tribal organization, or Alaska Native village or authorized native organization, which has authority to adopt and enforce flood plain management regulations for the areas within its jurisdiction*. (ref: 44 C.F.R § 59.1)

[3] "Substantial Improvement" is defined as: "*any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or (2) Any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure"*." (ref: 44 C.F.R § 59.1)

[4] FEMA Publication 213 "Answers to Questions About Substantially Improved (SI)/ Substantially Damaged Buildings (SD)" Improvement. See publication for a list of costs that must be included in included in an SI/SD evaluation (ref: FEMA P213, Question 16)

[5] See 44 CFR § 59.24

Emergency Management Agency's Flood Insurance Rate Maps and the government entity receives written notice from *the project owner or agent of the project owner*:

(1) *A copy of written notification by the appropriate government entity, in response to the project owner or agent of project owner's request for determination, that the proposed work is not required to comply with county, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to National Flood Insurance Program requirements;*

(~~1~~*2*) ~~The project owner, or an agent of the project owner, that the owner or agent~~ *A* request~~s~~ *for* issuance of the permit and is prepared to pay any required fees; and

(~~2~~*3*) *Proof of valid* ~~The projects' relevant professionals are~~ license~~d~~ in their respective fields and that the installation of the project shall 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 that use photos and videos submitted remotely to ensure faster, asynchronous reviews without added cost or delays. These measures ensure efficient, standardized permitting and inspection for behind-the-meter, customer-sited solar distributed energy resource systems.

(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 of submittal of the application."

(d) As used in this section:

"Offline field report" means a report that uses photos and videos taken of the project on site and sent 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~~; exemption from Federal Emergency Management Agency~~. *(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 No-Rise/No-Impact declaration requirements; provided that the project *is not located within a Regulatory Floodway as identified on the current Federal Emergency Management Agency's Flood Insurance Rate Maps.*~~:~~

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

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

(1) ~~Shall~~ comply with all applicable codes and laws;

(2) ~~Is~~ properly install~~ed~~ on an already existing structure; and

(3) ~~Does~~ not create additional obstruction within the ~~designated flood zone~~ *Regulatory Floodway*.

~~The value of the solar and storage distributed energy resource systems shall not be included in Federal Emergency Management~~

~~Agency flood zone valuation calculations.~~"

Mahalo for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

LEODOLOFF R. ASUNCION, JR.
CHAIR

NAOMI U. KUWAYE
COMMISSIONER

COLIN A. YOST
COMMISSIONER

STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
465 S. KING STREET, #103
HONOLULU, HAWAII 96813

Telephone: (808) 586-2020
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Website: puc.hawaii.gov
E-mail: puc@hawaii.gov

Testimony of the Public Utilities Commission

To the
Senate Committees on
Energy and Intergovernmental Affairs
and
Government Operations

January 30, 2025
3:00 p.m.

Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and Members of the Committees:

Measure: S.B. No. 588
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.

HAWAII STATE ENERGY OFFICE
STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 451-6648
Web: energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEES ON ENERGY AND INTERGOVERNMENTAL AFFAIRS AND GOVERNMENT OPERATIONS

Thursday, January 30, 2025
3:00 PM
State Capitol, Conference Room 225 and Videoconference

In Support of
SB 588

RELATING TO RENEWABLE ENERGY.

Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and Members of the Committees, the Hawai‘i State Energy Office (HSEO) supports the further development of SB 588, specifically those sections that require County permitting agencies (1) to allow self-certification by licensed professionals in order to obtain permits to begin construction on customer-sited solar distributed energy systems and (2) to allow the value of those systems to be omitted from Federal Emergency Management Agency (FEMA) flood zone valuation calculations.

The bill provides an opportunity 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] so believes the concept has merit.

Thank you for the opportunity to testify.

[1] Personal communication, SolSmart, 2024.

Kauaʻi Island Utility Cooperative
Your Touchstone Energy® Cooperative

Testimony Before the Senate Committees on Energy and Intergovernmental Affairs and Government Operations

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

Thursday, January 30, 2025; 3:00 pm
Conference Room #225 & Videoconference

Senate Bill No. 588 – RELATING TO RENEWABLE ENERGY

To the Honorable Chairs Glenn Wakai and Angus L.K. McKelvey, Vice Chairs Stanley Chang and Mike Gabbard, and Members of the Committees:

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 Kaua'i, 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 Hawai'i'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.

SB-588
Submitted on: 1/29/2025 9:55:29 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
PAUL OREM	Testifying for Photonworks Engineering	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.

Mahalo,

Paul Orem - CEO

Photonworks Engineering LLP

SB-588
Submitted on: 1/29/2025 10:09:18 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ella Aki	Testifying for Sol-Ark	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.

Mahalo,

Ella H. Aki

Sunnova Energy Corporation
20 Greenway Plaza
Houston, TX 77046
sunnova.com

Senator Glenn Wakai, Chair
Senator Stanley Chang, Vice Chair
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

RE: SB 588 Relating to Renewable Energy – In Support
Thursday, January 30th, 2025 at 3:00 PM

Aloha Senator Wakai, Chang, McKelvey, and Gabbard:

Sunnova Energy International Inc. (NYSE: NOVA) is an industry-leading adaptive energy services company focused on making clean energy more accessible, reliable, and affordable for homeowners and businesses. Founded in 2012, Sunnova services more than 422,000 customers across 51 States and U.S. territories including Hawaii. Sunnova Energy Corporation is in strong support of SB 588, which allows state government entities to create a self-certification process for behind-the-meter, customer-sited solar distributed energy resources.

Hawaii has a goal of 100% clean energy by 2045.[1] SB 588 will help Hawaii meet its renewable energy and resiliency goals by addressing permitting bottlenecks that have hindered solar development. SB 588 will streamline permitting by creating a self-certification pathway for commercial and residential solar, and energy storage installations. Currently, in some jurisdictions, simple residential solar projects can take as long as 9 months to secure approval. This is unacceptable for customers and for local solar installers who rely on timely permit issuance for their business operations.

The bill also exempts solar distributed energy resources from the Federal Emergency Management Agency No-Rise/No-Impact declaration requirements. Currently, these requirements are creating months of delay for permit approvals on projects that do not create obstructions in designated flood zones. SB 588 will allow developers to safely and quickly receive solar permits, while helping Hawaii to reach its state energy goals.

Our customers and local installer partners have experienced extraordinary local permitting delays in some local jurisdictions for many years. We urge State leadership on this important issue which is fundamental for customer affordability and resiliency. Thank you for the opportunity to submit testimony in support of SB 588.

Respectfully,

[1]Act 238, Session Laws of Hawaii 2022

Meghan Nutting
Executive Vice President of Government and Regulatory Affairs
Sunnova Energy Corporation

SB-588
Submitted on: 1/28/2025 1:22:09 PM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Chacko	Testifying for Credence Projects LLC	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:
I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.
Mahalo,

MĀLAMASOLAR

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and Committee Members,

My name is Rachel Ah Sue and I am writing in **strong support of SB588**, which implements professional self-certification for distributed solar and energy storage projects and exempts properly-installed rooftop solar and energy storage from FEMA flood zone rules that are unnecessarily applied to these systems.

As an Owner, heavily involved in operations at Malama Solar, I have seen firsthand how excessive permitting delays and misapplied regulations slow down Hawaii's transition to clean energy. SB588 provides a **practical, responsible, and much-needed solution** by allowing licensed design professionals to self-certify compliant solar and storage plans using widely accepted tools like **SolarAPP+**. This ensures that projects meet all applicable codes while reducing bottlenecks in the permitting process. Importantly, this bill does not eliminate final inspections—it simply allows projects to move forward more efficiently.

Additionally, applying **FEMA flood zone rules** to standard rooftop solar installations is an **unnecessary barrier**. These projects do not expand the footprint of existing structures, and treating them like large-scale developments **only increases costs and delays without improving safety**.

By passing SB588, Hawaii can **accelerate renewable energy adoption, reduce permitting delays, and make clean energy more accessible** while maintaining strong safety and compliance measures. I urge you to support this common-sense reform.

Mahalo for your time and consideration.

Rachel Ah Sue
Co-Founder & President
Mālama Solar

SB-588
Submitted on: 1/28/2025 4:09:28 PM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Scott Saville	Testifying for LegaSea Energy	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly licensed design professionals with sufficient insurance and bonding to self-certify and stamp plans. This does not replace final inspections for code compliance but allows projects to proceed to build more smoothly. Rooftop solar and energy storage projects that don't expand the footprint of existing structures should not need the same scrutiny as new buildings and more complex projects in floodways. Please advance this common-sense measure.

Thank you,

Scott Saville

Green Power Projects LLC
Alan Lennard, Managing Director
P.O. Box 818
Haleiwa, HI 96712
T 808.381.3447
E alan.lennard@greenpowerprojects.com

www.greenpowerprojects.com

Testimony of Alan Lennard
Managing Director of Green Power Projects LLC
e-mail: alan.lennard@greenpowerprojects.com

In SUPPORT SB588 for permitting self-certification & FEMA flood zone rule exemptions for DERs.

COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS
Senator Glenn Wakai, Chair
Senator Stanley Chang, Vice Chair

COMMITTEE ON GOVERNMENT OPERATIONS
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

NOTICE OF HEARING

DATE:	Thursday, January 30, 2025
TIME:	3:00 PM
PLACE:	Conference Room 225 & Videoconference State Capitol 415 South Beretania Street
TIMESLOT:	GVO

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

My name is Alan Lennard. I am the Managing director of Green Power Projects LLC. Green Power Projects LLC is a Solar project facilitation company working towards 100% Renewable Energy capacity in Hawaii.
Our vision is a Hawaiian energy economy based 100% on renewable sources indigenous to Hawaii.

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.
Mahalo,

Respectfully,

Alan Lennard -dig signature

Alan Lennard
Managing Director
Green Power Projects LLC
P.O. Box 818
Haleiwa, HI 96712-0818

Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of the Hawaii Solar Energy Association (HSEA) Regarding SB588, Relating to Renewable Energy, Before the Senate Committee on Energy and Intergovernmental Affairs and Senate Committee on Government Operations

Thursday, January 30, 2025

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members,

The Hawaii Solar Energy Association (HSEA) **strongly supports SB588**, which aims to reduce administrative barriers to the deployment of solar energy and energy storage systems through permitting self-certification and streamlined processes, including in federally-designated flood zones.

Addressing Administrative Barriers to Achieve Hawaii's Renewable Energy Goals

Hawaii's commitment to achieving a 100% renewable energy portfolio standard by 2045, as mandated by Act 97 (2015), requires bold and innovative measures to overcome existing barriers to clean energy adoption. Permitting delays and unnecessary regulatory burdens have hampered the timely deployment of solar and energy storage systems, which are essential to reducing dependence on imported fossil fuels and achieving our clean energy goals. This bill proposes pragmatic and common-sense solutions to streamline permitting processes while maintaining public health and safety standards.

Lowering Costs and Increasing Access to Clean Energy

By allowing for self-certification by duly-licensed design professionals, this bill significantly reduces the time, cost, and administrative burden associated with permitting residential and commercial solar projects. These cost-saving measures directly benefit consumers, making clean energy solutions more affordable and accessible for households and businesses alike.

The proposed exemption of behind-the-meter, customer-sited solar systems from FEMA No-Rise/No-Impact declaration requirements in designated flood zones further reduces undue financial and regulatory barriers for frontline communities. These communities are often the most vulnerable to the impacts of climate change and are in urgent need of affordable and reliable renewable energy solutions to enhance resilience.

Ensuring Efficiency and Safety with Modernized Processes

The self-certification and asynchronous review processes outlined in this bill provide a framework for efficient and standardized permitting and inspection. Key features, such as the use of photos and videos for remote inspections and commercially available software for permit reviews, ensure that projects are completed in a timely manner without compromising compliance with applicable codes and laws. By establishing clear timelines for permit issuance and closure, the bill fosters transparency and accountability across permitting authorities.

Building Resilience in Vulnerable Communities

The proposed exemption for solar distributed energy resource systems from FEMA No-Rise/No-Impact declaration requirements ensures that renewable energy adoption is not unduly delayed or restricted in flood-prone areas. This measure bolsters resilience by enabling vulnerable communities to benefit from renewable energy systems that provide backup power during grid outages and reduce reliance on fossil fuels. Importantly, the bill ensures that projects in flood zones comply with all applicable codes and laws, safeguarding public safety.

Driving Economic Growth and Innovation

The streamlined permitting processes supported by this bill will stimulate Hawaii's clean energy economy by creating jobs for local contractors, electricians, and solar installation professionals. Additionally, by reducing administrative barriers, the bill encourages investment in clean energy technologies and fosters innovation in the renewable energy sector.

SB588 is a necessary and forward-thinking measure that removes unnecessary barriers to renewable energy deployment while maintaining safety and compliance. It aligns with Hawaii's legislative commitment to achieving a 100% renewable energy future and ensures equitable access to clean energy solutions for all communities. By reducing costs, increasing efficiency, and enhancing resilience, this bill represents a critical step toward achieving Hawaii's clean energy and climate goals.

Thank you for the opportunity to testify in strong support of this important legislation.

Sincerely,

/s/ Rocky Mould

Executive Director

Hawaii Solar Energy Association
Serving Hawaii Since 1977

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.

SB-588
Submitted on: 1/29/2025 7:39:48 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Julian Kahumana	Testifying for Alternate Energy Hawaii	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members,

I am writing to express my strong support for Senate Bill 588, which aims to streamline permitting processes for behind-the-meter, customer-sited solar distributed energy systems and exempt them from FEMA No-Rise/No-Impact declaration requirements under specific conditions.

As a professional deeply involved in renewable energy projects, I have witnessed firsthand the immense challenges posed by current flood zone permitting requirements. These challenges disproportionately affect small residential photovoltaic (PV) installations, often leading to unnecessary delays, increased costs, and discouragement for homeowners seeking to transition to renewable energy solutions.

The inclusion of small rooftop PV systems under FEMA's floodplain management guidelines seems to overlook the intent of these regulations, which are designed to mitigate risks associated with alterations to floodplain terrain or obstructions to flood flows. A rooftop PV system is a non-intrusive addition that neither alters the terrain nor impacts flood risks, as highlighted in FEMA’s own guidelines for flood risk analysis and mapping.

Furthermore, FEMA provides for community discretion in permitting minor projects because they do not obstruct flood flows or alter the grade. Small residential PV systems should similarly be exempt, as they do not contribute to flood risks. The requirement for complex hydraulic analyses and no-rise/no-impact certifications for such projects represents an unnecessary and burdensome overreach.

By introducing self-certification processes and reasonable exemptions, SB 588 will significantly reduce administrative barriers, promote equitable access to renewable energy, and enhance the resilience of our communities without compromising public safety or environmental integrity. The provisions in this bill align with FEMA guidelines and reflect the discretion and common sense already acknowledged within those guidelines.

I urge you to support this critical piece of legislation and help pave the way for Hawaii to achieve its ambitious renewable energy goals while alleviating undue burdens on small-scale solar projects.

Thank you for your consideration.

Sincerely,
Julian Kahumana
Alternate Energy Hawaii

SB-588
Submitted on: 1/29/2025 8:09:50 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathryn Troyan	Testifying for Alternate Energy Inc	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members,

I am writing to express my strong support for Senate Bill 588, which aims to streamline permitting processes for behind-the-meter, customer-sited solar distributed energy systems and exempt them from FEMA No-Rise/No-Impact declaration requirements under specific conditions.

As a professional deeply involved in renewable energy projects, I have witnessed firsthand the immense challenges posed by current flood zone permitting requirements. These challenges disproportionately affect small residential photovoltaic (PV) installations, often leading to unnecessary delays, increased costs, and discouragement for homeowners seeking to transition to renewable energy solutions.

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Furthermore, FEMA provides for community discretion in permitting minor projects because they do not obstruct flood flows or alter the grade. Small residential PV systems should similarly be exempt, as they do not contribute to flood risks. The requirement for complex hydraulic analyses and no-rise/no-impact certifications for such projects represents an unnecessary and burdensome overreach.

By introducing self-certification processes and reasonable exemptions, SB 588 will significantly reduce administrative barriers, promote equitable access to renewable energy, and enhance the resilience of our communities without compromising public safety or environmental integrity. The provisions in this bill align with FEMA guidelines and reflect the discretion and common sense already acknowledged within those guidelines.

I urge you to support this critical piece of legislation and help pave the way for Hawaii to achieve its ambitious renewable energy goals while alleviating undue burdens on small-scale solar projects.

Thank you for your consideration.

Sincerely,
Kathryn Troyan, Project Manager
Alternate Energy Inc.

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

TO: Committee on Energy and Intergovernmental Affairs and Commitee on Govenment Operations

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: January 30. 2025

TIME: 3pm

RE: SB588 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 Road Block 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.

GRASSROOT INSTITUTE OF HAWAII

1050 Bishop St. #508
Honolulu, HI 96813
808-864-1776
info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

Jan. 30, 2025, 3 p.m.
Hawaii State Capitol
Conference Room 415 and Videoconference

To: Senate Committee on Energy and Intergovernmental Affairs
Sen. Glenn Wakai, Chair
Sen. Stanley Chang, Vice Chair

Senate Committee on Government Operations
Sen. Angus McKelvey, Chair
Sen. Mike Gabbard, Vice Chair

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

RE: SB588 — RELATING TO RENEWABLE ENERGY

Aloha Chairs, Vice-Chairs and other members of the Committees,

The Grassroot Institute of Hawaii **supports** SB588, which would require 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 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]

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, and specify that solar systems would not be subject to the valuation calculations for the purpose of determining whether a "substantial improvement" has been made to properties where they have been installed.

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.

Other municipalities have similar exemptions. St. Pete's Beach in Florida, for example, specifies that building upgrades intended to mitigate future wind or flood damage or to enhance energy efficiency are exempt from the definition of "substantial improvement."[4]

This exemption matters because most local governments, including Hawaii's four counties, require even more improvements intended to "harden" the home in a flood zone if the initial improvements exceed a certain dollar amount. This trigger can make simple projects, such as adding solar panels, cost prohibitive.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

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[1] Jonathan Helton, "Seven low-cost ways to speed up permitting in Hawaii," Grassroot Institute of Hawaii, October 2024, p. 7.
[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.
[4] Sec. 98-128.4. - Definitions, St. Pete Beach, Florida - Code of Ordinances, accessed Jan. 28, 2025. See the definition of "substantial improvement."

To: The Senate Committee on Energy and Intergovernmental Affairs (EIG)
and
The Senate Committee on Government Operations (GVO)
From: Sherry Pollack, 350Hawaii.org
Date: Thursday, January 30, 2025, 3pm

In strong support of SB588

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and members of the EIG and GOV committees,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of SB588** which authorizes 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.

SB588 addresses permitting issues that impede progress on Hawaii's renewable energy and climate resilience goals. This bill offers common-sense measures that will streamline solar permitting ***without compromising on safety***. Addressing these permitting issues is essential if Hawaii is to achieve its decarbonization goals, reduce costs for residents, and become more resilient.

Bottom line: 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 will remove unnecessary barriers and move us to the clean-energy economy we need.

Mahalo for the opportunity to testify in **strong support** for this very important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org

SB-588
Submitted on: 1/28/2025 7:24:35 PM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Radford Nakamura	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.

Mahalo,

Radford Nakamura

SB-588
Submitted on: 1/28/2025 9:04:19 PM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Lum	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.

Mahalo,

Jeff Lum

SB-588
Submitted on: 1/29/2025 6:52:34 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
David Thompson	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.

SB-588
Submitted on: 1/29/2025 7:21:33 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
wei lian	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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.

Mahalo,

SB-588
Submitted on: 1/29/2025 7:23:16 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Furuta	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members:

I'm writing in strong support of SB588, which institutes professional self-certification for distributed solar and energy storage projects and exempts properly-installed solar and energy storage from FEMA flood zone rules that are misapplied to simple rooftop solar and energy storage projects. Permitting self-certification is a common-sense approach that allows duly-licensed design professionals, with sufficient insurance and bonding, to self-certify and stamp plans. This does not replace final inspections for code-compliance but allows projects to proceed to build more smoothly. 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. Please advance this common-sense measure.

Mahalo.

SB-588
Submitted on: 1/29/2025 9:38:35 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Yuko Ahina	Individual	Support	Written Testimony Only

Comments:

am writing to express my strong support for Senate Bill 588, which aims to streamline permitting processes for behind-the-meter, customer-sited solar distributed energy systems and exempt them from FEMA No-Rise/No-Impact declaration requirements under specific conditions.

As a professional deeply involved in renewable energy projects, I have witnessed firsthand the immense challenges posed by current flood zone permitting requirements. These challenges disproportionately affect small residential photovoltaic (PV) installations, often leading to unnecessary delays, increased costs, and discouragement for homeowners seeking to transition to renewable energy solutions.

The inclusion of small rooftop PV systems under FEMA's floodplain management guidelines seems to overlook the intent of these regulations, which are designed to mitigate risks associated with alterations to floodplain terrain or obstructions to flood flows. A rooftop PV system is a non-intrusive addition that neither alters the terrain nor impacts flood risks, as highlighted in FEMA’s own guidelines for flood risk analysis and mapping.

Furthermore, FEMA provides for community discretion in permitting minor projects because they do not obstruct flood flows or alter the grade. Small residential PV systems should similarly be exempt, as they do not contribute to flood risks. The requirement for complex hydraulic analyses and no-rise/no-impact certifications for such projects represents an unnecessary and burdensome overreach.

By introducing self-certification processes and reasonable exemptions, SB 588 will significantly reduce administrative barriers, promote equitable access to renewable energy, and enhance the resilience of our communities without compromising public safety or environmental integrity. The provisions in this bill align with FEMA guidelines and reflect the discretion and common sense already acknowledged within those guidelines.

I urge you to support this critical piece of legislation and help pave the way for Hawaii to achieve its ambitious renewable energy goals while alleviating undue burdens on small-scale solar projects.

Thank you for your consideration.

SB-588
Submitted on: 1/29/2025 1:00:11 PM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris Schopen	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and committee members,

I am writing to express my strong support for Senate Bill 588, which aims to streamline permitting processes for behind-the-meter, customer-sited solar distributed energy systems and exempt them from FEMA No-Rise/No-Impact declaration requirements under specific conditions.

As a professional deeply involved in renewable energy projects, I have witnessed firsthand the immense challenges posed by current flood zone permitting requirements. These challenges disproportionately affect small residential photovoltaic (PV) installations, often leading to unnecessary delays, increased costs, and discouragement for homeowners seeking to transition to renewable energy solutions.

The inclusion of small rooftop PV systems under FEMA's floodplain management guidelines seems to overlook the intent of these regulations, which are designed to mitigate risks associated with alterations to floodplain terrain or obstructions to flood flows. A rooftop PV system is a non-intrusive addition that neither alters the terrain nor impacts flood risks, as highlighted in FEMA’s own guidelines for flood risk analysis and mapping.

Furthermore, FEMA provides for community discretion in permitting minor projects because they do not obstruct flood flows or alter the grade. Small residential PV systems should similarly be exempt, as they do not contribute to flood risks. The requirement for complex hydraulic analyses and no-rise/no-impact certifications for such projects represents an unnecessary and burdensome overreach.

By introducing self-certification processes and reasonable exemptions, SB 588 will significantly reduce administrative barriers, promote equitable access to renewable energy, and enhance the resilience of our communities without compromising public safety or environmental integrity. The provisions in this bill align with FEMA guidelines and reflect the discretion and common sense already acknowledged within those guidelines.

I urge you to support this critical piece of legislation and help pave the way for Hawaii to achieve its ambitious renewable energy goals while alleviating undue burdens on small-scale solar projects.

Thank you for your consideration.

Sincerely,
Chris Schopen
Alternate Energy Hawaii

ASSOCIATION OF STATE FLOODPLAIN MANAGERS, INC.

8301 Excelsior Dr., Madison, Wisconsin 53717
Phone: 608-828-3000 | Fax: 608-828-6319 | asfpm@floods.org | www.floods.org

Executive Director
Chad M. Berginnis, CFM

Director Emeritus
Larry A. Larson, P.E., CFM-retired

LATE

January 30, 2025

Written Testimony from the Association of State Floodplain Managers on SB 588
by
Chad Berginnis, CFM, Executive Director and CEO
to
Senate Committee on Energy and Intergovernmental Affairs & Senate Committee on Government Operations

The Association of State Floodplain Managers (ASFPM) is providing testimony today to raise significant concerns about SB 588 and urges you to consider the potential consequences of this legislation should it pass as written. SB 588 weakens the management of flood risk in Hawaii, puts many Hawaii home and business owners at increased financial risk by jeopardizing the states participation in the National Flood Insurance Program, and increases community legal liability for flood losses related to exempt and self-certified development activities.

ASFPM is a 20,000 member national non-profit organization dedicated to reducing flood losses and protecting the natural functions of floodplains. We have members throughout the country including Hawaii and we would like to provide information for your consideration from a national perspective on the potential consequences of this legislation.

Participation in the National Flood Insurance Program (NFIP) is a significant benefit to Hawaii communities, business owners, and residents. The program makes any property owner or renter eligible to purchase NFIP flood insurance provided the community adopts and enforces NFIP minimum standards more fully described in 44 Code of Federal Regulations Section 60.3. By participating in the NFIP, Hawaii communities are also assured continued access to a wide array of disaster assistance and hazard mitigation funding which can be quite significant.

Our first concern is that state passage and approval of legislation or policies that do not allow communities to administer and enforce NFIP minimum standard through their ordinances will jeopardize the participation of all Hawaii communities in the NFIP and impact the eligibility of Hawaii communities for hundreds of millions of dollars in hazard mitigation and other disaster funding. **The minimum standards contained within the federal regulations for the NFIP specifically require that the designated local floodplain administrator permit, conduct inspections, issue approvals, and carry out enforcement related to all development activities**

in mapped flood hazard areas. SB 588 directly conflicts and interferes with the ability of local floodplain managers to carry out these duties as required in their local ordinances and under the federal NFIP regulations. Specifically, provisions for allowing self-certification by the owners of solar energy resource systems, and for exempting these systems from the no-rise requirements of the NFIP that are reflected in local floodplain management regulations, when applicable, will not allow communities to fulfil their NFIP participation responsibilities.

Communities that are noncompliant with the federal minimum standards are subject to suspension from the NFIP. Recent examples from other states have shown that, when state law forces communities to be noncompliant, the entire state is at risk for suspension from the NFIP. Suspension carries drastic consequences for families, businesses and lenders across the state, including:

1. Existing NFIP flood insurance policies are not renewed. There are currently about 60,000 NFIP flood policies in force in Hawaii.

2. New NFIP flood insurance policies are not available. Under the NFIP's "mandatory purchase requirement" banks require flood insurance in order to obtain a loan, so suspension from the NFIP ends up being very disruptive to real estate transactions and could necessitate obtaining a private flood insurance policy – if one is available.

   Unlike the NFIP, private flood policies are not available in all locations – especially in areas of high flood risk, and private insurers can cancel the policy at any time, regardless of claims history. If a property owner, who is required to have flood insurance, cannot access an NFIP policy and cannot find a private policy, a lender may have no choice but to "call" a loan demanding full payment immediately because the mortgage conditions have not been met. This would be financially disastrous for home and business owners.

3. Federal mortgage guarantees (VA, FHA, USDA, SBA, HUD) may not be available for properties in the floodplain.

4. The state will not be eligible for certain types of federal disaster assistance, including federal pre- and post- disaster hazard mitigation grants. Often, eligibility for these programs is predicated in the community being in good standing in the NFIP. If all communities are suspended, they are not considered in good standing and will therefore be ineligible.

ASFPM has witnessed the ramifications when laws in other states were changed resulting in the inability for local communities to comply with minimum NFIP standards and meet their NFIP participation responsibilities.

In 2021, the Utah Legislature passed a bill that would have allowed third party certifications for certain type of repair activities and also exempted improvements to wildfire damaged homes from the substantial damage rule (also called the 50% rule). ASFPM and FEMA reached out to

the Governor's office explaining the ramification of such legislation (it had moved quickly and we were unable to provide testimony in time), including the potential of all Utah communities being suspended from the NFIP. Governor Cox ended up vetoing that legislation based on the very real unintended consequences the legislation posed to Utah communities.

Another example was when the State of Mississippi passed a law exempting hunting and fishing camps from local land use regulations, including floodplain management standards. The state's Attorney's General opined that communities could not enforce floodplain management requirements. As a result, FEMA had no choice but to threaten suspension of all communities in the state from the NFIP (including the availability of federal flood insurance), unless the state legislature passed a new law amending the law containing the new exemption. NFIP eligibility was only maintained by a last-minute reversal in state law.

Second, ASFPM believes the aforementioned provisions of SB 588 will increase the legal liability of communities and negatively impact the fundamental public safety and welfare of Hawaiians. For example, what happens when a property owner and/or their design professional "self certifies" a permit that ends up violating local codes? Neither a property owner nor their contractor are duty bound to ensure the community's public health and safety, and when it comes to development in the floodplain, development inconsistent with locally adopted flood standards can result in financial losses, injury and death. Or, what happens when a homeowner installs a ground based solar system that results in obstructions in the floodway where the obstruction and debris increases future flood risk to neighboring properties? Although exempting such development from the no-rise/no-impact requirement may speed permitting, it will not eliminate the liability to local officials or the public safety risk of such a development activity. Compliance with local building and land use codes is inherently a community responsibility and communities will ultimately be held liable.

Today, this kind of liability is easy to determine by modeling the physical impacts on other properties resulting from physical changes in the floodplain and/or from an actual flood itself. These potential flood damages mean increased lawsuits based upon various legal theories: trespass, nuisance, negligence, riparian rights, surface water reasonable use doctrine, and "taking" without payment of just compensation. For the past 40 years, ASFPM has done extensive research on legal liability for activities occurring in floodplains, and these materials are free to the public from our website at www.floods.org.

ASFPM has a unique historical perspective of understanding the ramifications of states passing laws that limit a community's ability to participate in the NFIP. And while not perfect, the NFIP is the nation's most widely adopted and accepted way for states and communities to manage flood risk.

Thank you for your consideration. Please do not hesitate to contact me at (608) 828-6338 or at chad@floods.org if you have any addition questions or concerns.

LATE

SB-588
Submitted on: 1/30/2025 11:00:44 AM
Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sandie Wong	Testifying for Hawaii Solar Energy Association	Support	Remotely Via Zoom

Comments:

Strong Support. Thank you.