
A BILL FOR AN ACT

RELATING TO ENERGY ASSISTANCE.

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

1 SECTION 1. The legislature finds that Hawaii's electricity
2 rates are among the highest in the nation, at close to three
3 times the national average, and vary based on availability of
4 renewable resources, power plants, fuel costs, and pricing
5 regulations. The 2024 report commissioned by the Aloha United
6 Way, "ALICE in Hawaii: 2024 Facts and Figures", states that two
7 in five households, or forty per cent, in the State live below
8 the ALICE (asset limited, income constrained, employed)
9 threshold, meaning that almost half of all families in Hawaii
10 are struggling to make ends meet, even though they are employed.
11 The number of electric utility customers in arrears and facing
12 disconnection is higher than before the coronavirus disease 2019
13 (COVID-19) pandemic, with thousands of customers collectively
14 owing millions of dollars. In addition, electricity needs are
15 expected to increase due to rising climate temperatures and
16 associated home cooling needs.

17 In 2022, the legislature adopted senate concurrent
18 resolution No. 242, S.D. 1 (2022), which requested the public

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1 utilities commission, in collaboration with the department of
2 commerce and consumer affairs' division of consumer advocacy, to
3 convene a working group to create a Hawaii low-income home
4 energy assistance program. As noted in a December 2022 report
5 to the legislature submitted by the public utilities commission,
6 the federal low-income home energy assistance program funded by
7 the United States Department of Health and Human Services and
8 administered by the department of human services, a program
9 designed to provide energy assistance to families, served fewer
10 than nine thousand households in Hawaii in 2020, or about two
11 per cent of the State's population potentially eligible for
12 energy assistance based on income. The State received the
13 lowest amount of federal funding for federal low-income home
14 energy assistance program of all states in fiscal year 2021-
15 2022. According to estimates from the National Energy and
16 Utility Affordability Coalition, Hawaii received 0.14 per cent
17 of federal low-income home energy assistance program funds in
18 fiscal year 2021-2022, roughly half of the next-lowest
19 state. Funding for states is determined based on a formula
20 developed in 1984, which inherently favors states with large
21 heating needs and does not consider specific electricity prices
22 within states.

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1 The legislature further finds that, in addition to the
2 limited financial assistance available through the United States
3 Department of Health and Human Services from the federal low-
4 income home energy assistance program, the public benefits fee
5 administrator of the public utilities commission plays a vital
6 role in ensuring that all available state and federal benefits
7 and rebate programs are being utilized by providing
8 opportunities and solutions for Hawaii residents and businesses
9 to save money and energy. The legislature also finds that the
10 State must commit to providing assistance to low-income
11 households that are directly impacted due to the high cost of
12 electricity.

13 Accordingly, the purpose of this Act is to provide eligible
14 households with assistance related to energy costs by:

- 15 (1) Establishing a Hawaii home energy assistance program
16 within the department of human services and
17 authorizing the department of human services to assist
18 eligible households with the payment of costs
19 associated with meeting their home energy needs; and
20 (2) Requiring the public benefits fee administrator of the
21 public utilities commission to provide recipients of
22 the Hawaii home energy assistance program with

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information and support designed to enhance home energy efficiency and reduce electricity costs.

SECTION 2. Chapter 346, Hawaii Revised Statutes, is amended by adding to part II a new section to be appropriately designated and to read as follows:

"§346- Hawaii home energy assistance program; established. (a) There is established within the department the Hawaii home energy assistance program. Subject to the availability of program funds, the program may assist eligible households with payment of costs associated with meeting an eligible household's home energy needs.

(b) Any person who is in need of public assistance may submit an application on a form prescribed by the department that includes, at a minimum, documentation to prove that the person:

- (1) Is a resident of the State;
- (2) Has an active utilities account in the State; and
- (3) Satisfies the income limit and all other eligibility standards established by the department in rules adopted pursuant to subsection (d).

(c) The public utilities commission public benefits fee administrator, in consultation with the department, shall

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1 provide information and technical assistance about available
2 energy efficiency programs to recipients, including an energy
3 audit at the request of a recipient, and assist recipients with
4 implementation of energy efficiency improvements, in accordance
5 with section 269-123(b).

6 (d) The department shall adopt rules pursuant to chapter
7 91 for purposes of this section."

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

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

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

17 (2) Encouraging the continuance or improvement of
18 efficiencies made in the production, delivery, and use
19 of energy-efficiency and demand-side management
20 programs and services;

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

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

(9) Providing information and technical assistance about available energy efficiency programs to recipients of the Hawaii home energy assistance program established pursuant to section 346- , including an energy audit if requested by the recipient, and assisting the recipients with implementation of energy efficiency improvements."

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2026-2027 for the purposes of implementing the Hawaii home energy assistance program established pursuant to section 2 of this Act.

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

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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1 SECTION 6. This Act, upon its approval, shall take effect
2 on July 1, 2026.

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INTRODUCED BY: Madine K. Mahmon

5

BY REQUEST
JAN 26 2026

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Report Title:

DHS; PUC; Hawaii Home Energy Assistance Program; Appropriation

Description:

Establishes the Hawaii Home Energy Assistance Program within the Department of Human Services to assist qualifying households in paying their energy bills. Requires the Public Utilities Commission Public Benefits Fee Administrator to provide certain information and assistance to recipients of the program.

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

JUSTIFICATION SHEET

DEPARTMENT: Commerce and Consumer Affairs

TITLE: A BILL FOR AN ACT RELATING TO ENERGY ASSISTANCE.

PURPOSE: To provide eligible households with assistance related to energy costs by establishing a Hawaii Home Energy Assistance Program (HIHEAP) within the Department of Human Services (DHS) and authorizing DHS to assist eligible households with the payment of costs associated with meeting their home energy needs; and requiring the Public Benefits Fee Administrator of the Public Utilities Commission to provide recipients of HIHEAP with information and support designed to enhance home energy efficiency and reduce electricity costs.

MEANS: Add a new section to part II of chapter 346, Hawaii Revised Statutes (HRS), and amend section 269-123, HRS. Appropriate funds.

JUSTIFICATION: The Department of Human Services is responsible for managing and administering the federal Low-Income Home Energy Assistance Program (LIHEAP) funded by the U.S. Department of Health and Human Services (USDHHS). LIHEAP is a federal program that provides heating and/or cooling assistance to eligible Hawaii households by assisting with a one-time payment towards their electric or gas bill. Because of the limited funding allocated by USDHHS for LIHEAP, many eligible beneficiaries who qualify do not receive any bill payment assistance. The creation of HIHEAP will supplement the current LIHEAP by allocating state funds that will allow for more eligible households to receive assistance.

Furthermore, eligible beneficiaries will receive valuable information and assistance about making their homes more energy efficient from the Public Utilities

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Commission Public Benefits Fee
Administrator.

Impact on the public: The eligible beneficiaries for the program would benefit from direct financial assistance to meet energy needs and receive information on efficiency improvements that would reduce energy costs.

Impact on the department and other agencies: DHS, with the assistance of the Department of the Attorney General, will adopt administrative rules to implement and administer the program.

GENERAL FUND: \$1,500,000.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: HMS 206 and CCA 901.

OTHER AFFECTED
AGENCIES: The Department of Human Services and the
Department of the Attorney General.

EFFECTIVE DATE: July 1, 2026.