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# A BILL FOR AN ACT

RELATING TO WATER.

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

1           SECTION 1. The legislature finds that rural areas of Maui  
2 county, such as Molokai and Lanai, have some of the highest  
3 electricity rates in the State, with water pumping constituting  
4 twenty to forty per cent of water utility operating budgets.  
5 Power outages can impede access to water for agricultural,  
6 household, and emergency use, threatening food security and  
7 community safety. While rural and agricultural communities may  
8 host many renewable energy developments, these communities often  
9 receive little economic benefit or infrastructure investment in  
10 return.

11           The legislature further finds that billions of gallons of  
12 water flow through the Molokai irrigation system each year,  
13 which is managed by the department of agriculture and  
14 biosecurity agricultural resource management division. This  
15 system requires year-round pumping, regardless of operational  
16 status to fill up and maintain a serviceable reservoir, creating  
17 unnecessary budget pressure. Because the irrigation system is a



1 critical agricultural resource, it is imperative that it is  
2 accessible and affordable for farmers.

3 The legislature also finds that because water pumps have  
4 flexible operating schedules, they are ideal candidates for  
5 solar battery systems. On-site renewable energy can eliminate  
6 or dramatically reduce electricity costs for water pumping.  
7 Additionally, microgrids can maintain water access during grid  
8 outages, improving disaster resilience.

9 Accordingly, the purpose of this Act is to establish a  
10 temporary water-energy resilience competitive grant program in  
11 the county of Maui to convert water pumping and irrigation  
12 facilities to renewable microgrids to reduce electricity costs  
13 and improve disaster resilience.

14 Section 2. (a) The Hawaii state energy office shall  
15 develop and implement a three-year water-energy resilience  
16 competitive grant program in the county of Maui to convert water  
17 pumping and irrigation facilities to renewable microgrids to  
18 reduce electricity costs and improve disaster resilience.

19 (b) The grant program shall be phased. The first phase  
20 shall consist of a desktop analysis to compile and assess  
21 existing information on groundwater pumping, irrigation energy



1 use, facility conditions, land availability, and associated  
2 solar feasibility, security requirements, and grid  
3 vulnerability. The second phase shall be an implementation  
4 phase to provide grants to qualified applicants to convert two  
5 to three high impact water pumping or irrigation facilities in  
6 Maui county to renewable microgrids; provided that these  
7 facilities shall serve agricultural irrigation or community  
8 water needs. The renewable microgrids shall include solar  
9 panels, battery storage, and smart pump controls.

10 (c) The Hawaii state energy office shall collaborate with  
11 the department of agriculture and biosecurity, department of  
12 land and natural resources, and the county of Maui to carry out  
13 the grant program, which shall include the following success  
14 metrics:

- 15 (1) A target of forty to sixty per cent reduction in  
16 electricity costs for participating facilities;
- 17 (2) Ability to maintain water pumping during grid outages;
- 18 (3) The training of six to ten local technicians; and
- 19 (4) A demonstrated ability to scale the model for other  
20 counties in the State;



1 provided that the Hawaii state energy office shall provide  
2 technical assistance for design and installation of any approved  
3 grant project and shall provide training for local technicians  
4 to operate and maintain the systems.

5 (d) The water-energy resilience competitive grant program  
6 shall emphasize:

- 7 (1) Community benefit over corporate profit;
- 8 (2) Local hiring and training requirements;
- 9 (3) Farmer and rancher input on site selection; and
- 10 (4) Transparent reporting on cost savings and benefits.

11 (e) Requests for grants shall be submitted to the Hawaii  
12 state energy office in accordance with administrative rules  
13 adopted to administer the grant program.

14 (f) Applications for grants shall be made to the Hawaii  
15 state energy office and contain the information as shall be  
16 required by rules adopted to administer the grant program. At a  
17 minimum, the applicant shall:

- 18 (1) Be licensed or accredited, in accordance with federal,  
19 state, or county statutes, rules, or ordinances, to  
20 conduct the activities or provide the services for  
21 which a grant is awarded;



- 1           (2) Provide a detailed plan outlining the scope,  
2           objectives, and projected impact of the project or  
3           projects, including a clear breakdown of how grant  
4           funds will be expensed;
- 5           (3) Agree to use state funds exclusively for the purposes  
6           of these programs;
- 7           (4) Indicate the capability to carry out the proposed  
8           project and properly administer grant funds; provided  
9           that the Hawaii state energy office shall prescribe  
10          the applicant qualifications for each grant;
- 11          (5) Comply with all applicable federal and state laws  
12          prohibiting discrimination against any person on the  
13          basis of race, color, national origin, religion,  
14          creed, sex, age, sexual orientation, disability, or  
15          any other characteristic protected under applicable  
16          federal or state law;
- 17          (6) Agree not to use state funds for purposes of  
18          entertainment or perquisites;
- 19          (7) Comply with any additional requirements prescribed by  
20          the Hawaii state energy office;



- 1 (8) Comply with all applicable federal, state, and county  
2 statutes, rules, and ordinances;
- 3 (9) Agree to indemnify and hold harmless the State and its  
4 officers, agents, and employees from and against any  
5 and all claims arising out of or resulting from  
6 activities carried out or projects undertaken with  
7 grant funds provided hereunder and procure sufficient  
8 insurance to provide this indemnification if requested  
9 to do so by the Hawaii state energy office; and
- 10 (10) Agree to make available to the Hawaii state energy  
11 office all records the applicant may have relating to  
12 the grant, to allow state agencies to monitor the  
13 applicant's compliance with this section.
- 14 (g) The Hawaii state energy office may adopt rules  
15 pursuant to chapter 91, Hawaii Revised Statutes, to use a phased  
16 approach to implement the water-energy resilience competitive  
17 grant program.
- 18 (h) The Hawaii state energy office shall submit a report  
19 of its findings and recommendations to the legislature no later  
20 than twenty days prior to the convening of the regular sessions  
21 of 2027 and 2028, which shall include:



- 1 (1) Cost savings for the county of Maui;
- 2 (2) Outage resilience, including hours of water pump
- 3 operation during microgrid failures;
- 4 (3) The number of jobs created and individuals trained in
- 5 the water-energy resilience competitive grant program;
- 6 and
- 7 (4) Technical performance data.

8 (i) The Hawaii state energy office shall submit a final  
9 report of its findings and recommendations, including any  
10 proposed legislation for expansion of the three-year water-  
11 energy competitive grant program, to the legislature no later  
12 than twenty days prior to the convening of the regular session  
13 of 2029.

14 SECTION 3. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2026-2027 for  
17 the three-year water-energy resilience competitive grant  
18 program.

19 The sum appropriated shall be expended by the Hawaii state  
20 energy office for the purposes of this Act.



1 SECTION 4. This Act shall take effect on July 1, 2050, and  
2 shall be repealed on June 30, 2027.



S.B. NO. 2579  
S.D. 1

**Report Title:**

HSEO; Department of Land and Natural Resources; Department of Agriculture and Biosecurity; Maui County; Temporary Water-Energy Resilience Competitive Grant Program; Reports; Appropriation

**Description:**

Requires the Hawaii State Energy Office to implement and administer a three-year phased Water-Energy Resilience Competitive Grant Program in the County of Maui. Requires reports to the Legislature. Appropriates funds. Repeals 6/30/2027. Effective 7/1/2050. (SD1)

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

