
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)

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