

Honolulu, Hawaii

MAR 20, 2026

RE: S.B. No. 3254
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Health, to which was referred S.B. No. 3254, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE BUDGET,"

begs leave to report as follows:

The purpose of this measure is to provide a grant pursuant to chapter 42F, Hawaii Revised Statutes, to support solar-plus-storage microgrid implementation at community health centers in medically underserved communities, and provide programmatic services, project management, contract management, reporting and fiscal stewardship responsibilities, and developing future scalable plans for the development and deployment of solar-plus-storage microgrids at nonprofit community health centers.

Your Committee received testimony in support of this measure from the Hawai'i Climate Change Mitigation and Adaptation Commission; one member of the Maui County Council; Hawaii Primary Care Association; Waimānalo Health Center; Green Party of Hawai'i; Climate Protectors Hawaii; Kauai Climate Action Coalition; Wahiawā Center for Community Health; Molokai Community Health Center; Collective Energy; 350Hawaii.org; Hawai'i Island Community Health Center; and numerous individuals.



Your Committee finds that community health centers serve an essential role in the State's health care ecosystem by providing primary and preventive care regardless of the person's ability to pay and serving medically underserved, low-income, rural, and geographically isolated communities. However, Hawaii's geographic isolation and heavy reliance on fossil fuels and increasing exposure to natural disasters and extreme weather events highlights the risk prolonged power disruptions pose to the ability of these community health centers to provide vital health care services. Your Committee finds that solar-powered microgrids with energy storage can provide a reliable and cost-effective solution and ensure community health centers are able to maintain power and offer critical services. Your Committee believes that providing state support to the ongoing efforts of the Hawaii Primary Care Association to deploy resilient energy systems at community health centers located in the State's medically underserved communities is a necessary and appropriate step to ensure Hawaii's residents are able receive timely access to care.

Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider:

- (1) Appropriation amounts of:
 - (A) \$2,500,000 as a capital improvement project grant in aid for the development and deployment of solar-plus-storage microgrids at nonprofit community health centers; and
 - (B) \$196,000 as an operational grant in aid; and
- (2) Whether the Department of Health should utilize existing program funds for infrastructure improvements as part of the rural health training program.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3254, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3254, S.D.



2, H.D. 1, and be referred to your Committee on Energy & Environmental Protection.

Respectfully submitted on
behalf of the members of the
Committee on Health,



GREGG TARAYAMA, Chair



