

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

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**Testimony of
LEAH LARAMEE
Climate Change Coordinator on behalf of
Climate Change Mitigation and Adaptation Commission
Co-Chair Ryan K. P. Kanaka'ole**

**Before the Senate Committee on
HEALTH AND HUMAN SERVICES**

**Friday, February 13, 2026
1:00 PM
State Capitol, Conference Room 225**

**In consideration of
SENATE BILL 3254
RELATING TO THE STATE BUDGET**

Senate Bill 3254 appropriates funds to be expended by the Department of Health as a grant for the Hawai'i Primary Care Association to support solar-plus-storage microgrid implementation at community health centers in medically underserved communities. **The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) Supports this measure.**

The Commission consists of a multi-jurisdictional effort between 20 departments, committees, and counties with the purpose of promoting ambitious, climate-neutral, culturally responsive strategies for climate change adaptation and mitigation.

The 2025 Hawai'i Climate Action Pathways recommended establishing a resilience grant program in collaboration with state and county offices to support programs that build community resilience to climate hazards, threats, risks and impacts including microgrids. The CAP also states "Energy infrastructure mitigation measures such as vegetation management, pole hardening, undergrounding, and microgrids that benefit disadvantaged communities, and protect community lifelines, and have a high likelihood of implementation are increasingly needed as wildfire risk increases." The actions proposed in this bill support resilient community health centers.

Mahalo for the opportunity to comment on this measure.



To: The Honorable Joy San Buenaventura, Chair
The Honorable Angus McKelvey, Vice Chair
Senate Committee on Health and Human Services

From: Paula Arcena, External Affairs Vice President
Mike Nguyen, Director of Public Policy
Maria Rallojaj, Public Policy Specialist

Hearing: Friday, February 13, 2026, 1:00pm, Conference Room 225

RE: **SB3254 Relating to the State Budget**

AlohaCare appreciates the opportunity to provide testimony in **support with comments on SB3254**. This measure appropriates funds to be expended by the Department of Health as a grant for the Hawai'i Primary Care Association (HPCA) to support solar-plus-storage microgrid implementation at community health centers in medically underserved communities.

AlohaCare is a community-rooted, non-profit health plan founded by Hawai'i's Community Health Centers (CHCs) and the Queen Emma Clinics. We serve over 66,000 Medicaid and Medicaid-Medicare dual-eligible residents on all islands. Since 1994, AlohaCare has partnered with providers, government entities, and community-based organizations to meet the evolving needs of our safety net community as Hawai'i's only health plan focused solely on Medicaid-eligible individuals. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for equitable access to quality, whole-person care for all.

Consistent with our commitment to improving access to high-quality care, AlohaCare supports this measure to support HPCA and CHC safety-net serving providers with their long-term energy needs and operating costs. HPCA is an association of non-profit, federally quality health centers (FQHCs or CHCs) which substantively make up our state's critical safety net as providers open to all regardless of the ability to pay.

As a safety-net health plan, AlohaCare is very appreciative of the critical services our fellow safety-net partners provide for the health and well-being of our community. AlohaCare is grateful for the high-quality, comprehensive care that CHCs provide to our members across the state. FQHCs currently serves about 50 percent of AlohaCare members annually. We support this measure as a critical and effective way to strengthen the healthcare safety net, allowing these safety-net providers to focus on increasing access to care for all residents, especially those in underserved urban and rural communities.

This measure is related to HPCA's two grant-in-aid (GIA) requests for a proposed project which would address energy and environmental challenges but also enables CHCs to access and leverage resilient, sustainable, and cost-effective energy infrastructure that ensures that FQHCs can continue providing essential public services before, during, and after emergencies. The project seeks a total of \$2.5 million in the Capital Improvement Project



ALOHACARE

(CIP) GIA, and \$196,000 in a separate Operational GIA. However, this measure as presently drafted appropriates funds for the CIP GIA requested for the project but not for the Operational GIA request. As such, we respectfully request that the bill be amended by adding a new Section 3:

"SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$196,000 or so much thereof as may be necessary for fiscal year 2026-2027 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for the Hawaii Primary Care Association to provide programmatic, project management, contract management, reporting and fiscal stewardship responsibilities, and developing future scalable plans for the project specified by this Act. The sum appropriated shall be expended by the department of health for the purposes of this Act."

Mahalo for this opportunity to testify in **support with comments on SB3254.**



Clinic
4590 Hāna Highway
tel 808.248.8294
fax 808.248.8917

Administration
P.O. Box 807
Hāna, Maui 96713
tel 808.248.7515
fax 808.248.7223

**Testimony to the Senate Committee on Health and Human Services
Friday, February 13, 2026; 1:00 p.m.
State Capitol, Conference Room 225**

RE: SENATE BILL NO. 3254, RELATING TO THE STATE BUDGET.

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

Hana Health strongly **SUPPORTS** Senate Bill No. 3254, RELATING TO THE STATE BUDGET. The requested public investment to help fund a solar + battery storage resilience project for the Hana Health site is important to maintaining continuity of care in our isolated community. Hana Health is a Federally Qualified Health Center (FQHC) serving the remote, rural district of Hana and is the only health care provider in the district. Hana Health currently provides primary medical, dental and behavioral health and support services to the people of Hana. Unlike most primary care clinics in the State and country, Hana Health coordinates activities with American Medical Response and Maui Memorial Medical Center in the provision of urgent/emergency medical services prior to transport to the hospital on the other side of the island. This takes place seven days a week, 24 hours a day. Reliable, resilient power is essential for maintaining continuity of care in our isolated community.

The Hana Health project is part of the Local Energy Initiative (LEI) Project — a partnership between Hawai'i Primary Care Association (HPCA) and Collective Energy - to deliver solar + battery storage for Hawai'i's community health centers. The initiative is designed to bolster energy reliability during grid outages and natural disasters, ensure continuity of care for patients most in need, and reduce operating costs so more dollars can be directed back to core health services.

Hāna Health's portion of the requested funds is \$337,764 for a combined solar + battery storage resilience investment of \$886,071. The project is structured to leverage federal rebates (30%), a Hawai'i State incentive (24.5%), and early-stage philanthropic support from Direct Relief that helps cover required upfront expenditures.

Annual electric costs are expected to decline by about one third, or \$32,000 with an estimated savings in energy costs of \$784,804 over 25-years.

Hāna Health respectfully asks the Committee to support the requested public investment to complete our solar + battery storage project. This investment will strengthen our ability to keep facilities running during outages and reduce electricity costs—supporting continuity of care and protecting access to health services for our community.

Thank you for the opportunity to provide testimony.

Cheryl Vasconcellos
Executive Director
Hana Health

Email: cvasconcellos@hanahealth.org

Phone: 808-866-5796



Testimony to the Senate Committee on Health and Human Services
Friday February 13, 2026; 1:00 PM
State Capitol, Conference Room 225
Via Videoconference

RE: SENATE BILL NO. 3254, RELATING TO THE STATE BUDGET

Molokai Ohana Health Care, Inc., dba the Molokai Community Health Center (MCHC), is the only Federally Qualified Health Center on the island of Molokai. MCHC serves an island population of about 6,980 residents, of which 45% are individuals and families whose incomes are below 200% of the federal poverty guidance. For over 20 years, MCHC has served a vital access point and classic safety net for affordable primary medical, dental, and behavioral health care for the uninsured and underinsured populations of Molokai.

This bill would appropriate funding to invest in an infrastructure upgrade – but also provide a strategic commitment to healthcare access, workforce development, fiscal responsibility and community resilience for the island of Molokai.

If approved, this investment will save Molokai Community Health Center up to \$87,000 annually in electricity costs; over \$2.1 million in energy costs over a 25-year span. As a safety net provider, Molokai Community Health Center operates on thin margins while serving the island’s vulnerable patients who rely on Medicaid, Medicare and sliding fee services. Rising utility costs directly impact our ability to invest in patient care, workforce recruitment, and expanded services. Solar installation will generate significant long-term cost savings by reducing monthly electricity expenses and stabilize energy costs for decades. The savings can be reinvested into direct patient services, strengthening the health center’s financial sustainability, as well as the health care infrastructure on the island of Molokai.

Equally important is continuity of care. As a healthcare provider, MCHC must remain open during emergencies, natural disasters, and grid disruptions. Investment in this project, especially with the addition of battery backup, enhances energy resilience and ensures uninterrupted access to critical services on Molokai, where alternative care services are limited.

Supporting this project now will ensure that the Safe Harbor tax incentives -- secured through Direct Relief grant funding-- are fully realized. Beyond cost savings and resilience, this project reflects responsible stewardship of resources and alignment with statewide clean energy goals.

I respectfully urge your strong support for this critical project.

Milton Cortez, CEO
Molokai Community Health Center

Mission: To provide and promote accessible comprehensive individual and community health care to the people of Molokai with respect and aloha.

Visit us at <http://molokaichc.org/>

30 Oki Place, PO Box 2040 Kaunakakai, HI 96748 Phone: (808) 553-5038 Fax: (808) 553-3780



**Testimony to the Senate Committee on Health and Human Services
Friday, February 13, 2026, 1:00 PM
State Capitol, Conference Room 225
Via Videoconference**

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

Aloha and mahalo for the opportunity to provide testimony in **support of SB 3254**, Relating to the State Budget, which would appropriate funds to be expended by the Department of Health as a grant for the Hawaii Primary Care Association to support solar-plus-storage microgrid implementation at community health centers in medically underserved communities.

Waimānalo Health Center (WHC) is one of those health centers that would tremendously benefit from these resources. WHC is a federally qualified health center, serving the Ko'olaupoko community since 1992, with comprehensive health services. Serving 6,451 patients through 32,469 visits in 2025, WHC provided primary care, behavioral health, vision, dental, pharmacy, health promotion disease prevention, Native Hawaiian healing, transportation, care management, WIC, mobile medicine, school health, and youth mentoring services. WHC serves 53% Native Hawaiian/Pacific Islanders, 54% Medicaid, 8% uninsured, and 52% at 100% and below the Federal Poverty Level.

WHC has been working with Collective Energy to plan for the installation of solar panels at two sites in Waimānalo. Currently paying about \$30,000/month for electricity for both sites, this project will reduce our annual electricity costs by 28% at one site, and 45% at our second site, with a combined average annual energy savings of \$200,000. Thereby, reducing operating costs and directing more dollars back to core health services. Currently relying on diesel generators during power outages, the solar installation will strengthen energy reliance, reduce operational disruptions, and above all, help us to remain available/open to the public during grid failures to ensure continuity of care for patients.

With support through the Federal Rebates, Hawaii State Incentive, and funding received from Direct Relief, Collective Energy has calculated WHC's request from State GIA to be a total of \$463,754 (for both sites). We respectfully urge the committee to pass SB 3254 to support solar-plus-storage microgrid implementation.

Thank you for your support, consideration and the opportunity to offer testimony. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Mary Frances Oneha, APRN, PhD, FAAN
Chief Executive Officer
(808)954-7107

moneha@waimanalohealth.org



To: The Senate Committee on Health and Human Services (HHS)
From: Sherry Pollack, Co-Founder, 350Hawaii.org
Date: Friday, February 13, 2026, 1pm

In strong support of SB3254

Aloha Chair San Buenaventura, Vice Chair McKelvey, and members of the HHS committee,

I am Co-Founder of the Hawai'i chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support** of this measure that appropriates funds to be expended by the Department of Health, as a grant for the Hawai'i Primary Care Association to support solar-plus-storage microgrid implementation at community health centers in medically underserved communities.

Community Health Centers are invaluable resources, especially in remote, rural areas where access to an alternative, like a hospital, can mean traveling very long distances. These facilities are a critical part of the healthcare safety net, serving low-income, uninsured, and underserved populations. It is essential that these centers be able to remain open and operational through a power outage.

Implementing solar+storage systems builds energy resilience in Community Health Centers, allowing them to improve access to reliable health care in low-income, rural communities. Clean, resilient solar+storage systems ensure energy reliability for critical medical equipment, refrigeration of insulin and vaccines, and continuity of care during grid outages and natural disasters. This ensures continuity of care for patients most in need. Moreover, these systems allow health centers to reduce operating costs --directing more dollars back to core health services, while also decreasing harmful carbon pollution.

With Hawai'i's frequent power outages, maintaining uninterrupted care is critical. Let's ensure essential healthcare services continue even when the grid goes down.

We urge you to **PASS SB3254**.

Thank you for the opportunity to testify on this very important bill.

Sherry Pollack
Co-Founder, 350Hawaii.org



**Testimony to the Senate Committee on Health and Human Services
Friday, February 13, 2026; 1:00 p.m.
State Capitol, Conference Room 225
Via Videoconference**

RE: SENATE BILL NO. 3254, RELATING TO THE STATE BUDGET.

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 3254, RELATING TO THE STATE BUDGET., **and offers a friendly amendment for your consideration.**

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

This bill, as received by your Committee, would appropriate \$2,500,000 in general funds for fiscal year 2026-2027, to be expended by the Department of Health as a grant-in-aid (GIA) pursuant to Chapter 42F, Hawaii Revised Statutes (HRS), to support the development and deployment of solar-plus-storage microgrids at nonprofit community health centers located in medically underserved communities across the State.

The bill would take effect on July 1, 2026.

The HPCA, in partnership with Collective Energy, a mission-driven social benefit company specializing in clean energy and resilience solutions for community health centers, seeks to establish and deploy solar and storage microgrids at nonprofit community health centers across the State. These systems will strengthen energy reliance, reduce operational disruptions, and ensure that essential health services remain available to the public during grid failures.

FQHCs serve as frontline hubs for health, safety, and recovery during emergencies. We are trusted, community-based sites that provide services, dispense medications, offer safe gathering points, and protect vulnerable populations when other infrastructure is compromised.

Hawaii's geographic isolation, heavy reliance on imported fossil fuels, and exposure to hurricanes, wildfires, tsunamis, and extreme weather events significantly heighten the risks of prolonged power disruptions. The implementation of public safety power shutoffs by Hawaiian Electric in July 2024 further underscores the urgent need for reliable, decentralized, and clean energy sources for public-serving facilities.

Traditional diesel generators -- used by many FQHCs today -- are expensive to operate, require frequent maintenance, rely on fragile fuel supply chains, and contribute to harmful emissions. The proposed project directly addresses these challenges by enabling resilient, sustainable, and cost-effective energy infrastructure that ensures that FQHCs can continue providing essential public services before, during, and after emergencies.

The project seeks a total of \$2.5 million in Capital Improvement Project (CIP) GIA, and \$196,000 in a separate Operational GIA. The CIP GIA funding, leveraged with federal and State solar and energy storage incentives, will enable the development of up to nine solar plus storage microgrid systems, totaling approximately \$6.2 million in capital improvement. The Operational GIA funding represents programmatic, project management, contract management, reporting and fiscal stewardship responsibilities, as well as developing future scalability plans.

If approved, this project will:

- Save participating FQHCs an estimated \$16 million in electricity costs over twenty-five years, allowing them to repurpose scarce funds into patient care, delivery, staffing, and essential community health services;
- Add battery energy storage to increase resiliency during outages and reduce service disruptions, materially improving project return on investment by avoiding an estimated \$11.9 million in power-outage losses across all sites over the system life;
- Ensure continuity of critical health center services during disasters and grid outages;
- Advance energy equity for medically underserved, low-income, and rural communities;
- Enable FQHCs to function as community resilience hubs;

- Support local workforce development and clean energy development by collaborating with Hawaii-based partners; and
- Establish a replicable and scalable model for future cohorts.

The HPCA notes that the bill, as presently drafted appropriates funds for the CIP GIA requested for the project but not for the Operational GIA request. As such, the HPCA respectfully requests that the bill be amended by adding a new SECTION 3 and renumbering the following section. The new SECTION 3. would read:

"SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$196,000 or so much thereof as may be necessary for fiscal year 2026-2027 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for the Hawaii Primary Care Association to provide programmatic, project management, contract management, reporting and fiscal stewardship responsibilities, and developing future scalable plans for the project specified by this Act.

The sum appropriated shall be expended by the department of health for the purposes of this Act."

With this amendment, the HPCA urges your favorable consideration of this measure.

For your information and files, attached please find the transmittal receipt confirming submission of HPCA's CIP and Operational GIA applications to the Legislature on January 23, 2026, in accordance with Chapter 42F, HRS,

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.

attachment



Testimony to the Senate Committee on Health and Human Services
Friday, February 13, 2026; 1:00 p.m.
State Capitol, Conference Room 225
Via Videoconference
IN SUPPORT

RE: SENATE BILL NO. 3254, RELATING TO THE STATE BUDGET.

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

My name is Bev Harbin, and I am the Chief Executive Officer of Wahiawa Center for Community Health, a look-alike Federally Qualified Health Center (FQHC) that provides essential primary care services to the citizens of Central Oahu. I also serve on the Board of Directors of the Hawaii Primary Care Association as the Chair of their External Affairs Committee. On behalf of all FQHCs participating in the project proposed in this bill, I SUPPORT Senate Bill No. 3254, RELATING TO THE STATE BUDGET.

This bill would appropriate general funds for a grant to support the development and deployment of solar-plus-storage microgrids at nonprofit community health centers located in medically underserved communities across the State.

Wahiawā Health is a 501(c)(3) Federally Qualified Health Center Look-Alike (FQHCLAL), established in 2012 and is one of Senator Daniel K. Inouye's legacy projects. Wahiawā Health serves the medically underserved communities of Central O'ahu, including Wahiawā, Mililani, and Waialua, Schofield Barracks, Wheeler Air Force Base—areas designated by HRSA as both a Medically Underserved Population (MUP) and a Health Professional Shortage Area (HPSA). As a safety-net provider meeting all federal FQHC standards without Section 330 grant funding. Wahiawa Health is the only UNFUNDED community health center in Hawaii.

During Covid-19, numerous Federal, State and City and County funds were entrusted to the HPCA which in turn worked with community health centers to direct funding aid to support caring for our communities. This bill will deliver the same need of helping communities with protection and access to care during electrical emergencies. As for instance, Wahiawa Health has a 340b in house pharmacy. We have suffered losses of stored drugs during times of electrical failures. Having these solar and storage microgrids at the building housing Wahiawa Health will keep our pharmacy safe, our elevators working (we have had to carry wheelchair and handicapped patient's down our stairs at times of outage) and to ensure continued health services during grid failures. AS a community Hub we will be able to supply need energy for our community to charge their phones and a place of safety for electrical needs.

With recent changes to federal Medicaid policy, FQHCs are even more hard-pressed to find sufficient resources to serve Hawaii's most isolated and vulnerable populations. With the shifting of Medicaid enrollees to uninsured, FQHCs must continue to provide services to citizens regardless of



302 California Avenue
Suite 106
Wahiawā, HI
96786

PHONE (808) 622-1618
FAX (877) 759-6943
WEBSITE www.wahiawahealth.org

their ability to pay. When unable to obtain insurance reimbursement, federal law requires the charging of fees on a sliding fee schedule based on the patient's ability to pay. Most of the time, this does not cover the costs of services.

For these situations, limited federal grant funds are available to offset the losses, but have not expanded to address the likely increase that will result from the enactment of House Resolution No. 1, the "Big Beautify Bill Act". Once federal grant funds are exhausted, FQHCs will have to reduce or eliminate services.

The project that this bill would make possible will provide FQHCs with greater revenue flexibility to meet the expected demand from uninsured patients. By establishing infrastructure improvements and providing essential program resources, this bill will allow FQHCs to experience enormous costs savings that will translate directly to affordable and accessible health care services to our patients.

Below is an anticipated revenue projection that will help our health centers with maintaining our services to our communities.

<u>FQHC</u>	<u>Average Annual Energy Savings</u>	<u>Estimated 25-Year Energy Savings</u>
Wahiawa Center for Community Health	\$113,000	\$2,826,000
Hawaii Island Community Health Center	\$210,000	\$5,243,000
Waimanalo Health Center	\$200,000	\$4,991,000
Hana Health	\$31,000	\$785,000
Molokai Community Health Center	\$87,000	\$2,177,000
TOTALS	\$641,000	\$16,022,000

Please pass this bill to ensure that further conversation can be encouraged

Senate Committee on Health and Human Services
Friday, February 13, 2026 – 1:00 p.m.
Re: SB 3254 – Relating to the State Budget

Chair San Buenaventura, Vice Chair McKelvey, and Members of the Committee:

My name is Cindy Kan. I am the Director of Programs + Strategic Partnerships, Hawai'i with Collective Energy, serving as the technical implementation partner for the Hawai'i Primary Care Association (HPCA) on the proposed solar-powered microgrids initiative referenced in SB 3254.

I am providing technical and financial context on the structure and timing considerations for this measure.

Federal Leverage and Timing

SB 3254 presents a time-sensitive opportunity to leverage federal incentives and private funds already committed to support solar-powered microgrids for nonprofit community health centers located in medically underserved communities throughout Hawai'i.

Participating health centers have secured private philanthropic funding to safe-harbor these projects and preserve eligibility for the federal 30% Direct Pay incentive under the Inflation Reduction Act. This incentive substantially reduces total project costs. If projects do not proceed within the allowable timeline, that **30% federal incentive for these projects will be permanently lost**. The appropriation proposed in this bill would serve as gap-closing capital, enabling implementation and ensuring Hawai'i captures available federal dollars before expiration.

From a financing perspective, the structure includes:

- Federal Direct Pay incentive: 30% of eligible project costs
- Private philanthropic funds: already raised
- State appropriation to close the remaining financing gap

Without timely state participation, the participating health centers risk forfeiting federal eligibility, the benefit of private philanthropic funds already committed, and associated long-term cost reductions.

Operational Cost Impact

The financial impact is measurable. These solar-powered microgrids will significantly reduce electricity expenses, allowing the nonprofit health centers to redirect operating dollars toward patient care, staffing, and essential services. Below is a summary of participating health centers, their current annual electricity costs, and projected average annual savings from solar-plus-storage systems:

Annual Electricity Cost & Estimated Average Annual Savings by Site

Health Center Site	Current Annual Electricity Cost	Average Annual Cost Savings (w/ Solar + Storage)*
Hawai'i Island Community Health Center – Hilo	\$89,000	\$109,000
HICHC – Ka'ū Family Health & Dental	\$30,000	\$37,000
HICHC – Kea'au Family Health & Dental	\$51,000	\$63,000
Hana Health (Main Clinic + Hale Ku'ola)	\$70,000	\$31,000
Moloka'i Community Health Center	\$92,000	\$87,000
Waimānalo Health Center – 'Akahi	\$67,000	\$39,000
Waimānalo Health Center – 'Alua	\$198,000	\$161,000
Wahiawā Center for Community Health	\$86,000	\$113,000
TOTAL	\$683,000	\$640,000

**Projected annual savings are based on modeled system production and current utility rates. Final savings depend on future rate conditions and system performance.*

Across all sites identified in the bill — Hilo, Kea'au, Ka'ū, Hana, Moloka'i, Waimānalo, and Wahiawā — projected electricity savings total approximately \$16 million over 25 years, in addition to the avoided outage-related losses estimated at up to \$11.9 million.

Battery storage further strengthens resilience by supporting continuity of operations during grid failures and Public Safety Power Shutoffs, maintaining refrigeration for essential medications, electronic medical records, and clinical services. These systems also often provide community-level support during regional outages, extreme weather events, and disasters.

I offer this information to assist the Committee in its evaluation of SB 3254 from a fiscal and implementation perspective.

Mahalo for the opportunity to provide technical input.

Cindy Kan
 Director of Programs + Strategic Partnerships Hawai'i
 Collective Energy (Technical Implementation Partner)