



**Hawaii Solar Energy Association**  
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TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION  
IN REGARD TO H.B. 3079  
RELATING TO ENERGY EFFICIENCY  
BEFORE THE  
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
ON  
TUESDAY, JANUARY 29, 2008

Chair Morita, Vice-Chair Carroll, my name is Richard Reed and I represent the Hawaii Solar Energy Assn. (HSEA). HSEA strongly supports the passage of H.B. 3079.

H.B. 3079 clarifies that the public benefits fees collected by Hawaii's electric utility companies and then transferred to a new third-party DSM administrator appointed by the PUC shall not be considered state or public funds subject to appropriation by the legislature or for deposit into the state general fund.

State raids on dedicated funds are common. In a paper for the Regulatory Assistance Project, or RAP, entitled "Who Should Deliver Ratepayer Funded Energy Efficiency?", Cheryl Harrington discusses raids on public benefit funds in Maine, Wisconsin, Ohio and Connecticut. A raid has been threatened in Oregon. In the Connecticut example, the legislature appropriated \$12 million from a *utility-held* public benefit account to the general fund.

H.B. 3079 makes clear that the sole purpose of a public benefits fund in Hawaii is to provide demand-side management and energy-efficiency services to Hawaii's residential and commercial ratepayers. The bill also makes explicit that the State of Hawaii may participate in any of the DSM programs on the same basis as any other ratepayer.

The transition of DSM and energy-efficiency programs from our electric utility companies to a third party administrator is already underway. This bill provides additional clarity to the law and guidance to the PUC.

Thank you for the opportunity to testify.