
A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

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

1 SECTION 1. Act 240, Session Laws of Hawaii 2006, is
2 amended by amending section 13 to read as follows:
3 "SECTION 13. [~~Solar water heating pay~~] Pay as you save
4 program; purpose; establishment; tariff filing. (a) Solar
5 water heating systems and photovoltaic energy systems are a
6 renewable energy technology that uses solar collectors placed on
7 roofs to heat water[~~-~~] or provide electricity. These systems
8 decrease reliance on imported oil used to generate electricity
9 to heat water or provide electricity because they use less
10 energy than the electric [~~hot water heating~~] systems replaced.
11 In addition, the replacement of older, less efficient household
12 appliances with energy efficient appliances will also decrease
13 energy usage.

14 The legislature finds that the up-front cost of
15 installation is a barrier preventing many Hawaii residents from
16 installing solar water heating systems[~~-~~] or photovoltaic energy
17 systems. The legislature further finds that the cost of
18 replacing inefficient household appliances also presents a



1 significant barrier to installing more efficient appliances.

2 The legislature further finds that the renewable energy
3 technologies income tax credit and electric utility rebates have
4 not been enough of an incentive to overcome these up-front
5 costs, especially for rental housing and homes in need of
6 retrofit for these important energy-saving devices.

7 The purpose of this section is to authorize the public
8 utilities commission to implement a pilot project to be called
9 the [~~"solar water heating pay~~] "pay as you save program".

10 (b) The public utilities commission shall implement a
11 pilot project to be called the [~~"solar water heating pay~~] "pay
12 as you save program", which shall:

13 (1) Allow [~~a~~] residential and small commercial electric
14 utility [~~customer~~] customers to purchase a solar water
15 heating system[+] or a photovoltaic energy system:

16 (A) With no upfront payments; and

17 (B) By paying the cost of the system over time on the
18 customer's electricity bill[+] at an interest
19 rate to be determined by the public utilities
20 commission;

21 provided that the estimated life cycle electricity
22 savings from the solar water heating system or



- 1 photovoltaic energy system exceeds the cost of the
- 2 system;
- 3 (2) Provide for billing and payment of the solar water
- 4 heating system or photovoltaic energy system on the
- 5 utility bill;
- 6 (3) Provide for disconnection of utility service for
- 7 non-payment of [~~solar water heating system~~] pay as you
- 8 save payments; [and]
- 9 (4) Allow for assignment of system repayment costs
- 10 attached to the meter location[-];
- 11 (5) Allow customers to exchange a qualifying refrigerator,
- 12 manufactured prior to a date determined by the public
- 13 utilities commission, for a new ENERGY STAR
- 14 refrigerator; subject to qualifications established by
- 15 the public utilities commission; provided that
- 16 customers shall make no up front payment but shall be
- 17 allowed to pay any costs associated with the exchange
- 18 over time on the customer's electricity bill; and
- 19 (6) Allow customers who enroll in the program to receive
- 20 an energy audit with the cost partially paid by the
- 21 public benefits fee administrator, contracted pursuant

1 to section 269-122, Hawaii Revised Statutes, at a rate
2 to be determined by the public utilities commission.

3 (c) The public utilities commission shall determine the
4 time frame of the pilot program and shall gather and analyze
5 information to evaluate the pilot program~~[-]~~ and shall report
6 this information to the energy resources coordinator.

7 (d) The public benefits fee administrator shall administer
8 the pilot program and shall provide progress reports to the
9 public utilities commission eight months and fourteen months
10 after the start of the program and annually thereafter.

11 (e) The public benefits fee administrator may contract
12 with appropriately licensed or qualified persons to install
13 solar water heating systems or photovoltaic energy systems in
14 the pilot program and shall provide for the decommissioning and
15 disposal of refrigerators that are recovered from customers
16 pursuant to subsection (b) (5) in a manner that complies with all
17 applicable requirements for waste disposal.

18 (f) The public utilities commission may conduct follow up
19 evaluations of the program, including energy audits, efficiency
20 measurements, and verification.

21 ~~[(d)]~~ (g) No later than June 30, ~~[2007,]~~ _____, each
22 electric utility shall implement by tariff a pay as you save



1 model system program for [~~residential~~] consumers that is
2 consistent with this section. Each utility shall provide at
3 least six months prior notice of its proposed tariff to the
4 public utilities commission as prescribed in section 269-12(b),
5 Hawaii Revised Statutes. Within the prescribed notice period,
6 the public utilities commission shall review the proposed tariff
7 and after a hearing may require modifications to the proposed
8 tariff as necessary to comply with or effectuate the purposes of
9 this section.

10 [~~(e)~~] (h) The commission shall ensure that all reasonable
11 costs incurred by electric utilities to start up and implement
12 the pay as you save model system are recovered as part of the
13 utility's revenue requirement, including necessary billing
14 system adjustments and any costs for pay as you save model
15 system efficiency measures that are not recovered via
16 participating [~~residential~~] consumers' pay as you save model
17 system bill payments or otherwise.

18 (i) No later than December 31, 2009, the public utilities
19 commission shall adopt rules, pursuant to chapter 91, for the
20 purposes of the pay as you save program."

21 SECTION 2. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 3. This Act shall take effect upon its approval.

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JAN 23 2009



Report Title:

Energy Efficiency; Pay As You Save Program

Description:

Expands the pay as you save pilot program to include photovoltaic energy systems and refrigerator exchanges.

