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# A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY AND RENEWABLE ENERGY.

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

1           SECTION 1. The legislature finds that up-front costs are a  
2 barrier preventing many Hawaii residents from installing  
3 renewable energy systems and replacing energy-inefficient home  
4 appliances with energy-saving alternatives. The legislature  
5 further finds that tax credit and rebate programs have not been  
6 enough of an incentive to overcome these up-front costs,  
7 especially for public utilities customers who are renters and  
8 for older homes in need of retrofitting for these important  
9 energy-saving devices.

10           The purpose of this Act is to provide assistance to public  
11 utilities consumers who exchange energy-inefficient  
12 refrigerators for ENERGY STAR refrigerators, exchange  
13 conventional hot water heaters for solar water heaters, and  
14 install photovoltaic systems and other energy efficiency  
15 measures deemed to be cost-effective by the public utilities  
16 commission. This Act directs the public utilities commission to  
17 adopt rules to allow public utilities customers to finance



1 purchases of energy-saving appliances and renewable energy  
2 technology through on-bill financing, backed by the public  
3 benefits fund.

4 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
5 amended by adding a new section to part VII to be appropriately  
6 designated and to read as follows:

7 "§269- On-bill financing for energy efficiency and  
8 renewable energy. (a) The public utilities commission shall  
9 implement an on-bill financing program which shall allow a  
10 residential electric utility customer to purchase:

- 11 (1) An ENERGY STAR refrigerator;
- 12 (2) A solar water heater system that meets the standards  
13 established pursuant to section 269-44;
- 14 (3) A solar energy device as defined in section 196-7; or
- 15 (4) Any other device, or system that the public utilities  
16 commission designates by rule;

17 provided that the estimated life cycle electricity savings from  
18 the item or system purchased pursuant to this section exceeds  
19 the cost of the item or system.

20 (b) The on-bill financing program established pursuant to  
21 this section shall allow a residential electric utility customer  
22 to purchase an item or a system as specified by subsection (a)



1 with no up-front payments by paying the cost of the device or  
2 system over time on the customer's electricity bill.

3 (c) Once the item or system is installed on a property,  
4 the item or system shall remain a part of that property for the  
5 purposes of sale, lease, or transfer; provided that the  
6 residential electric utility customer may remove the item or  
7 system when:

8 (1) There is mutual consent of all parties to a sale or  
9 transfer of the item or system;

10 (2) Proper notice has been served to the utility company;  
11 and

12 (3) The utility company and the residential electric  
13 utility customer mutually agree to a future payment  
14 schedule for the item or system.

15 (d) The public utilities commission shall enact rules  
16 pursuant to chapter 91 to:

17 (1) Provide for billing and payment of devices and systems  
18 purchased pursuant to this section through a  
19 customer's utility bill;

20 (2) Determine a reasonable payment schedule for items and  
21 systems purchased pursuant to this section and a  
22 reasonable interest rate to be applied to payments;



1       (3) Determine reasonable penalties, which may include  
2           fines and disconnection of utility services, for  
3           nonpayment of on-bill financing costs; and

4       (4) Allow for the assignment of system repayment costs  
5           attached to meter location.

6       (e) All costs associated with the establishment and  
7       operations of an on-bill financing program established pursuant  
8       to this section shall be paid from the public benefits fee  
9       established under section 269-121.

10       (f) The fund administrator shall, pursuant to section 269-  
11       122, determine a reasonable percentage of collected public  
12       benefits fees in any given year that shall be expended on an on-  
13       bill financing program established pursuant to this section."

14       SECTION 3. New statutory material is underscored.

15       SECTION 4. This Act shall take effect on July 1, 2010.

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**Report Title:**

Energy Efficiency; Renewable Energy; Public Utilities Commission

**Description:**

Directs the public utilities commission to enact an on-bill financing program whereby residential electric utility customers may finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

