

JAN 21 2010

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) The public utilities commission shall enact rules
4 pursuant to chapter 91 to:

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

8 (2) Determine a reasonable payment schedule for items and
9 systems purchased pursuant to this section and a
10 reasonable interest rate to be applied to payments;

11 (3) Determine reasonable penalties, which may include
12 finances and disconnection of utility services, for
13 nonpayment of on-bill financing costs; and

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

16 (d) All costs associated with the establishment and
17 operations of an on-bill financing program established pursuant
18 to this section shall be paid from the public benefits fee
19 established under section 269-121.

20 (e) The fund administrator shall, pursuant to section
21 269-122, determine a reasonable percentage of collected public



1 benefits fees in any given year that shall be expended on an
2 on-bill financing program established pursuant to this section."

3 SECTION 3. New statutory material is underscored.

4 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.

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