

STAND. COM. REP. NO.

2041

Honolulu, Hawaii

FEB - 8 2010

RE: S.B. No. 2332

S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2332 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY EFFICIENCY AND
RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to direct 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.

Testimony in support of this measure was submitted by three organizations. One state agency and three organizations support the intent of the measure, and one state agency submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee recognizes the concerns raised by testifiers regarding the potential cost of administering this program. However, your Committee also recognizes that the Hawaiian Electric Company recently completed a two-year SolarSaver Pilot Program for solar hot water systems and the Kauai Island Utility Cooperative has implemented a successful on-bill financing program. These successful programs demonstrate why this approach is beneficial. Empirical studies examining the purchase of energy-saving devices reveal that high initial investment costs foster a tendency to avoid energy saving innovations, regardless of the potential

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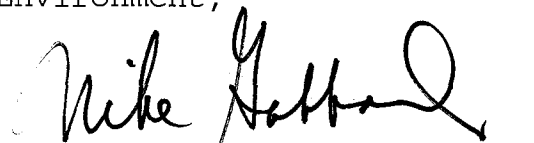


future money savings from reduced energy usage. On-bill financing, which has been used in Massachusetts, Rhode Island, Connecticut, and California, is a way for consumers to install energy efficient devices and stay within their monthly budgets. This measure can help Hawaii toward its goal of moving toward greater energy efficiency and renewable energy technologies.

Your Committee has amended this measure by addressing the concerns of the Hawaii Association of Realtors to clarify that the device or system purchased pursuant to this measure shall remain on the property after a sale, lease, or transfer unless the residential electric utility customer complies with certain conditions.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2332, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



