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# A BILL FOR AN ACT

RELATING TO 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 or replacing energy-inefficient home  
4 appliances with energy-saving alternatives. Existing tax credit  
5 and rebate programs have not been enough of an incentive to  
6 offset up-front costs, especially for public utilities customers  
7 who are renters and for owners of older homes in need of  
8 retrofitting before energy-saving devices can be installed.

9 The purpose of this Act is to provide assistance to public  
10 utilities consumers who exchange conventional hot water heaters  
11 for solar water heaters, install photovoltaic systems, and take  
12 other energy efficiency measures deemed to be cost-effective by  
13 the public utilities commission. This Act directs the public  
14 utilities commission to adopt rules to allow public utilities  
15 customers to finance purchases of energy-saving appliances and  
16 renewable energy technology through on-bill financing, backed by  
17 the public benefits fee.



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

4 "§269- On-bill financing for energy efficiency and  
5 renewable energy. (a) The public utilities commission shall  
6 consider implementing an on-bill financing program which shall  
7 allow a residential electric utility customer to purchase:

8 (1) A solar water heater system that meets the standards  
9 established pursuant to section 269-44;

10 (2) A solar energy device as defined in section 196-7; or

11 (3) Any other device or system that the public utilities  
12 commission designates by rule pursuant to chapter 91;

13 provided that the estimated life cycle electricity savings from  
14 the item or system purchased pursuant to this section exceeds  
15 the cost of the item or system; and provided further that if the  
16 residential electric utility customer is a tenant, the tenant  
17 shall receive prior written consent of the owner of the tenant's  
18 dwelling unit in order to participate.

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



1 with no up-front payments by paying the cost of the item or  
2 system over time as part of 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 adopt 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 residential electric utility 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       finances 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       administration of an on-bill financing program established  
8       pursuant to this section shall be paid from the public benefits  
9       fee established under section 269-121.

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

14       (g) The public utilities commission shall ensure that all  
15       reasonable costs incurred by electric utilities to start up and  
16       implement the on-bill financing program, including necessary  
17       billing system adjustments and any costs for on-bill financing  
18       program efficiency measures that are not recovered via  
19       participating residential electric utility customers' on-bill  
20       financing program bill payments or otherwise, are recovered as  
21       part of the utility's revenue requirement.



1        (h) In considering an on-bill financing program, the  
2 commission shall seek to address the problem of underinvestment  
3 in solar energy and energy efficiency in the rental market and  
4 other underserved markets."

5        SECTION 3. New statutory material is underscored.

6        SECTION 4. This Act shall take effect on July 1, 2050.

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**Report Title:**

Renewable Energy; Energy Efficiency; Public Utilities Commission

**Description:**

Directs the public utilities commission to consider implementing an on-bill financing program for residential electric utility customers to finance purchases of energy efficient or renewable energy devices and systems through their regular electric utility bills. Effective July 1, 2050. (SD2)

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

