



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
Richard C. Lim
Director
Department of Business, Economic Development, and Tourism
before the
House Committee on Energy and Environmental Protection
Tuesday, February 12, 2013
8:30 AM
State Capitol, Conference Room 325

in consideration of

HB 453 RELATING TO RENEWABLE ENERGY.

Chair Lee, Vice Chair Thielen, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of HB 453. This measure would exempt owners and lessors who install renewable energy systems on their property and sell the electricity generated to their tenants or lessees on the premise from the definition of "public utility."

We believe this bill will allow renters and lessees the ability to take advantage of lower priced fixed rate renewable energy, accelerating the adoption of renewable energy in Hawaii and helping the State meet its clean energy objectives. We respectfully defer to the Public Utilities Commission (PUC) regarding the regulatory aspects of this bill, and to the Consumer Advocate regarding the implementation of rates a non-utility generator could charge a tenant.

Thank you for the opportunity to offer these comments.



NEIL ABERCROMBIE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310

P.O. Box 541

HONOLULU, HAWAII 96809

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www.hawaii.gov/dcca

KEALI' I S. LOPEZ
DIRECTOR

JO ANN UCHIDA TAKEUCHI
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE
ON ENERGY AND ENVIRONMENTAL PROTECTION

THE TWENTY-SEVENTH LEGISLATURE
REGULAR SESSION OF 2013

TUESDAY, FEBRUARY 12, 2013
8:30 A.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER
AFFAIRS, TO THE HONORABLE CHRIS LEE, CHAIR,
AND MEMBERS OF THE COMMITTEE

HOUSE BILL NO. 453 - RELATING TO RENEWABLE ENERGY

DESCRIPTION:

This measure proposes to exempt entities that provides, sells, or transmits power generated by a renewable energy system to an electric utility, lessee, or tenant from the definition of a public utility.

POSITION:

The Division of Consumer Advocacy (Consumer Advocate) supports the intent of H.B. No. 453 and offers the following comments.

COMMENTS:

This bill provides an opportunity for renters to be able to benefit from the cost-savings of renewable energy systems, such as solar photovoltaic ("solar pv") systems, without having to incur the cost of installing the systems themselves. It further

provides landlords with investment opportunities that could ultimately benefit both the landlord and the tenant.

Insofar as a landlord who places a renewable energy system on the property that is occupied by the tenant, exception (M) to Hawaii Revised Statutes Section 269-1 already provides that that landlord would not be a “public utility.” This is consistent with the Public Utilities Commissions’ (“PUC”) decision and order in the Maui Kele Shopping Center request for declaratory ruling Docket No. 2011-0329.

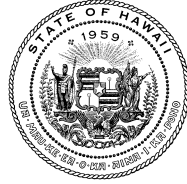
This bill would make it clear that a landlord who places a renewable energy device on a property that is not occupied by the tenant or lessor and who provides energy to the tenant would similarly not be a public utility. The Consumer Advocate agrees with the concept that landlords in these situations should not be regulated by the PUC and should also be excepted from the definition of a public utility. On the other hand, the Consumer Advocate is concerned with the potential effects such a situation may have on the safety and reliability of the electric utility’s grid. In this type of situation, landlords would be wheeling energy to their tenants where presumably both would be separately metered to the electric utility’s system. Is there a potential for the hazardous situation known as unintentional islanding? Is there a potential for energy spikes and electrical over-current, if there is no requirement for adequate protection?

Finally, the Consumer Advocate is concerned that tenants and lessees who may not be on equal bargaining power with landlords and lessors may not receive any cost-savings benefits that this bill contemplates. Tenants and lessees need to be provided adequate protection in this bill that would assure them that they would not be subjected to economic hardship at the hand of an unscrupulous landlord.

Thank you for this opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

To: The Honorable Chris Lee, Chair
and Members of the House Committee on Energy & Environmental Protection

Date: Tuesday, February 12, 2013

Time: 8:30 a.m.

Place: Conference Room 325, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. 453 Relating to Renewable Energy

The Department of Taxation (Department) supports H.B. 453 and provides the following information and comments for your consideration.

This measure exempts landlords who install renewable energy systems on their property and sell the electricity to their tenants from being considered a public utility and thus being subject to the public service company tax. The Department prefers landlords in this situation not be considered public utilities subject to the public service company tax but rather that they be considered regular business taxpayers subject to the general excise tax. The Department believes this is simpler for taxpayers and is more in keeping with the intent of these respective taxes.

Thank you for the opportunity to provide comments.

TESTIMONY OF HERMINA MORITA
CHAIR, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

FEBRUARY 12, 2013

8:30 a.m.

MEASURE: H.B. No. 453

TITLE: Relating to Renewable Energy

Chair Lee and Members of the Committee:

DESCRIPTION:

This measure proposes to create a specific exemption from the definition of “public utility” under Section 269-1, Hawaii Revised Statutes, for landlords and lessors who sell electricity produced by renewable energy systems located on the landlord’s or lessor’s property to tenants and lessees occupying such property.

POSITION:

The Public Utilities Commission (“Commission”) would like to offer the following comments for the Committee’s consideration.

COMMENTS:

The Commission would ask the Legislature to proceed cautiously when considering additional exemptions to the definition of public utility. Not all landlord-tenant agreements are standardized and safeguards should be in place to ensure that property owners selling electricity to tenants do not reach a level where they are acting as a de facto public utility. Existing case law and precedent on the matter would result in the same outcome, but would allow the Commission to review a specific set of facts and then issue a declaratory ruling. The Legislature would need to consider whether H.B. No. 453 provides adequate safeguards for the consumer that may not have a choice in the decision to purchase electricity.

Thank you for the opportunity to testify on this measure.



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.538.6616 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 12, 2013, 8:30 A.M.
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 453

Aloha Chair Lee and members of the Committee:

The Sierra Club, Hawaii Chapter, with over 10,000 dues paying members and supporters statewide, respectfully *supports* HB 453. This measure would allow a landowner to install renewable energy and distribute this power among tenants, thus removing a barrier towards more adoption of clean energy.

Programs similar to what is proposed have been very successful in encouraging the adoption of PV and hastening the transition to non-fossil sources. This measure potentially allows a *hui* of people to invest in renewable energy and take advantage of the benefits, even if they do not own a home.

This measure would provide a strong incentive for individuals and businesses to invest in the power plants of tomorrow (today).

Mahalo for the opportunity to testify.



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 12, 2013, 8:30 A.M.

Room 325

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 453

Chair Lee and members of the Energy & Environmental Protection Committee:

The Blue Planet Foundation supports HB 453, ensuring that landlords who provide renewable energy to tenants are not erroneously classified as a “utility.”

Hawaii must do all it can to help residents—homeowners and renters alike—use renewable energy as a solution to high energy prices and detrimental reliance on fossil fuels. But current rules unfortunately prolong a “split incentive” problem in many rental contexts. Where a landlord would be responsible for purchasing renewable energy equipment, but the tenant would be responsible for paying the energy bill, their incentives are not aligned. Landlords would spend, but tenants would save. Thus, while many homeowners are accessing renewable energy, solutions for tenants have been more scarce. House Bill 453 helps to unlock these split incentives by allowing landlords to recoup the upfront cost of renewable energy from the savings that tenants will enjoy on their bills. House Bill 453 achieves this without imposing onerous regulations on landlords, and without imposing additional regulatory duties on the Public Utilities Commission.

We respectfully urge the committee to forward HB 453.

Thank you for this opportunity to testify in support.



House Committee on Energy and Environmental Protection
Tuesday, February 12, 2013 at 8:30 a.m.
State Capitol, Conference Room 325

HB453: Relating to Renewable Energy

Testimony in SUPPORT of HB453

Frank Striegl, Senior Vice President, Capital Projects, Carmel Partners

Chair Lee, Vice Chair Thielen, and Committee Members:

Carmel Partners **supports** House Bill 453, the bill that exempts landlords and lessors who install renewable energy systems on their property and sell the electricity generated to their tenants or lessees on the premise from the definition of "public utility".

Carmel Partners is a real estate investment company that acquires, rehabilitates and operates multi-family communities in Hawaii. We have been doing business in Hawaii for the last eight years and continue to commit to investing in Hawaii. We create quality communities using innovative ideas and solutions to enhance the value for our residents. Our first priority is to our tenants and prospective tenants.

According to the Center on Budget and Policy Priorities, at the end of 2012, 43% or 194,900 households in Hawaii are renters. Of those, over almost 74% or 143,900 spend 30% or more of their income on housing. HB453 could help many of these households.

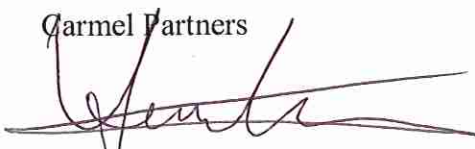
The current statute, which would classify a landlord as a public utility if they provide renewable energy to tenants, is a huge disincentive. The exemption that HB453 would provide the landlord or lessor could encourage investment to benefit the tenants served, by providing them energy produced by renewable sources.

We see multiple benefits to the tenants, who to date, have not been able to participate in renewable energy initiatives, including raising the consciousness of sustainable living and energy efficiency habits as well as being provided potentially more stable energy rates.

We also support that HB453 includes appropriate provisions to protect tenants by providing that the rate schedule for the electricity charged to the lessee or tenant be reflected in the lease agreement for the duration of the lease.

Thank you for the opportunity to testify in support on this matter.

Carmel Partners


Frank Striegl, SVP



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, February 12, 2013, 8:30 a.m. – House Conference Room 325

TESTIMONY IN SUPPORT OF HB 453 RELATING TO RENEWABLE ENERGY

Chair Lee, Vice Chair Thielen, and Members of the Committee:

Distributed Energy Partners is a Hawaii based, owned, and operated firm specializing in the development of commercial-scale distributed renewable energy projects, which include solar, wind, and emerging technologies.

Distributed Energy Partners strongly supports HB 453, which would amend Hawaii Revised Statutes, Chapter 269 to clarify that property owners who install a photovoltaic system or other renewable energy systems on their property can sell power they generate to their tenants without being deemed to be a "public utility" under Chapter 269.

Under the current law, there is no such explicit exclusion for property owners who sell power they generate to their tenants. As a result, there is some ambiguity as to whether such property owners could be considered to be a "public utility" by the Public Utilities Commission. This ambiguity leads owners of shopping centers, apartment buildings, and other commercial properties to either shy away entirely from installing photovoltaic solar systems on their property, or to install much smaller systems that serve only the common areas of the building and not the tenants.

Passing HB 453 and clarifying that property owners will not be deemed to be a public utility solely for selling power they generate to their tenants will further Hawaii's interest in promoting renewable energy. Many of the commercial properties that would be benefitted from the passage of HB 453 are ideal candidates for photovoltaic solar systems, since they have a large daytime electricity load. The enactment of HB 453 would also benefit tenants by allowing them to share in the electricity savings to the property owner.

We also note that HBH 453 includes appropriate safeguards to protect tenants – specifically, the new exception would only apply where the electricity rate charged to the tenant by the property owner is fixed in advance and is part of the lease agreement between the property owner and the tenant.

Property owners should not be deemed a "public utility" solely for selling power they themselves generate on their property to tenants on that property. HB 453 would ensure that these property owners are not considered a public utility and would allow them to participate in Hawaii's clean energy initiatives. We support HB 453 and urge you to pass it as drafted. Thank you for the opportunity to provide this testimony.

Sincerely,

John Cheever



House Committee on Energy and Environmental Protection

Tuesday, February 12, 2013 at 8:30 a.m.

State Capitol, Conference Room 325

HB453: Relating to Renewable Energy

Testimony in **SUPPORT** of **HB453**

Testimony of Jon Wallenstrom, Forest City Hawaii Residential Inc., President

Chair Lee, Vice Chair Thielen, and Committee Members:

Forest City **supports** Senate HB453, the bill that exempts landlords and lessors who install renewable energy systems on their property and sells to their tenants and lessees from the definition of "public utility".

Forest City is one of the largest residential community and renewable-energy developers in the state of Hawaii. At Forest City, we leverage our real estate experience to create renewable energy projects. These developments help offset the high cost of energy in Hawaii for both our residents and the greater community, while also decreasing the state's dependence on fossil fuels.

The statute as written is a deterrent for landlords to develop renewable energy systems for tenants. The exemption that HB453 would provide the landlord or lessor could enable companies such as ours to invest in renewable solutions for our lessees.

There are numerous benefits to the tenants, which includes an awareness of energy efficient lifestyle as well as potentially more stable energy rates.

Thank you for the opportunity to testify in support of this matter.

Sincerely,

Jon Wallenstrom

President

Forest City Hawaii Residential Inc.

House Committee on Energy and Environmental Protection
Tuesday, February 12, 2013 at 8:30 a.m.
State Capitol, Conference Room 325

HB453: Relating to Renewable Energy

Testimony in **SUPPORT of HB453**

Testimony of Gary Furuta, GSF LLC

Chair Lee, Vice Chair Thielen, and Committee Members:

GSF, LLC **supports** Senate HB453, the bill that exempts landlords and lessors who install renewable energy systems on their property and sells to their tenants and lessees from the definition of "public utility".

GSF, LLC serves as development consultant for various non-profit development corporations that develop very low-income rental projects ($\leq 60\%$ Area Median Income). In managing the affordable rentals we are always looking for ways of reducing operating expenses, e.g., photovoltaic, that will benefit tenants.

The current statute discourages landlords to develop and provide renewable energy systems for their tenants.

This legislation would facilitate lessors to provide stable energy rates to their tenants, the constituents who would otherwise not benefit from renewable energy.

Thank you for the opportunity to testify in support of this matter.

Sincerely,



Gary Furuta
GSF, LLC

February 12, 2013

The Honorable Chris Lee, Chair

House Committee on Energy & Environmental Protection
State Capitol, Room 325
Honolulu, Hawaii 96813

RE: H.B. 453, Relating to Renewable Energy

HEARING: Tuesday, February 12, 2013 at 8:30 a.m.

Aloha Chair Lee, Vice Chair Thielen, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,000 members. HAR **supports** H.B. 453 which exempts landlords and lessors who install renewable energy systems to their property from the definition of "public utility."

HAR believe the current statute, which would classify a landlord as a public utility if they provide renewable energy to tenants is a huge disincentive. The exemption that this measure would provide the landlord or lessor could encourage investment to benefit the tenants served, by providing them energy produced by renewable sources such as solar photovoltaic.

There are numerous benefits to the tenants, which includes an awareness of energy efficient lifestyle as well as potentially more stable energy rates.

Mahalo for the opportunity to testify.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Before the House Committee on Energy and the Environmental Protection
Tuesday, February 12, 2013, 8:30 am, Conference Room 325
HB 453: RELATING TO RENEWABLE ENERGY

Aloha Chair Gabbard, Vice-Chair Ruderman, and members of the Senate Committee on Energy and the Environment,

On behalf of the Hawaii Solar Energy Association (HSEA), I would like to testify **in strong support for HB 453**, which exempts landlords and lessors who install renewable energy systems on their property from the definition of “public utility.” HSEA is a non-profit trade organization that has been advocating for solar energy since 1977, with an emphasis on residential distributed generation and commercial for both solar hot water (SHW) and photovoltaics (PV). We currently represent 71 companies, and our members include installers, contractors, manufacturers, distributors, the utility, and others. With 35 years of advocacy behind us, HSEA’s goal is to work for a sustainable energy future for all of Hawaii.

Solar is key to our green energy future

Hawaii is dangerously dependent upon imported fossil fuels, and the cost and uncertainty of fossil fuels will only increase. Recent reports have indicated that oil may reach \$180/barrel or more by 2020, and scientists have found that climate change has exacerbated global warming more than they believed, with recent data showing that the Antarctic is warming three times the previously predicted rate. Transforming our electrical grid to a green energy infrastructure will bring both added security and stability to our state’s economy, and also contribute to an overall reduction of greenhouse gasses for everyone.

Both property owners and tenants would benefit if property owners could sell electricity generated from renewable sources

A recent report completed by Harcourt, Brown & Carey for the on-bill financing docket currently before the PUC found that 41% of all Hawaii residents rent. The commercial sector is similarly situated. Only in rare circumstances are renters able to take advantage of renewable energy technology, and under the current definition of “public utility” a landlord who installs renewable energy and sells electricity to tenants on that land would be considered a public utility, no matter how small the installation, or the fact that the energy does not leave the property boundaries. This bill would create an exemption that would allow and encourage landlords who have the means to install renewables, and sell the electricity generated to tenants on the same property. Not only would this benefit tenants and give them the potential to use “clean energy,” but it would also add to the overall value of the property. This bill is a win-win for all, and would include renters in our clean energy future.

Thank you for the opportunity to testify.

Leslie Cole-Brooks
Executive Director
Hawaii Solar Energy Association

TO: House Committee on Energy and Environmental Protection
Honorable Representative Chris Lee, Chair
Honorable Representative Cynthia Thielen, Vice Chair

RE: Testimony Supporting Intent of HB453 Relating To Renewable Energy.

Testimony is 1 page long.

HEARING: Tuesday, February 12, 8:30 a.m.

Mr. Chairman and members of the Committee:

Kairos Energy Capital supports the intent of HB453, which would exempt landlords who install renewable energy facilities and sell the power to their tenants from being classified as public utilities.

Kairos Energy Capital is a Hawai'i merchant bank that focuses entirely on providing and arranging funding for renewable energy projects. We have become one of the leading experts in Hawai'i in solar project financing.

Because our business is about financing renewable energy systems, I will focus my testimony today on the interaction between Hawai'i's renewable energy laws and the capital markets that make Hawai'i's renewable energy initiatives possible.

The issue of getting renewable energy to the many tenants occupying rental property in the State is a difficult and multi-faceted one. While the risk of being classified as a public utility is not the leading concern I hear from landlords considering renewable energy, it does add yet another reason for them to take no action, rather than further pursue a solution to the economics of providing renewable energy to their tenants.

Kairos Energy Capital therefore recommends that you pass HB 453 to help remove the barriers and concerns for landlords considering adding renewable energy to their properties. Thank you for the opportunity to provide this testimony.

Thank you for the opportunity to submit this testimony, and please feel free to contact me if I can be of further assistance.

Larry Gilbert
Managing Partner
Kairos Energy Capital LLC
55 Merchant Street, Suite 1560
Honolulu, HI 96813
Tel 808 457-1600
Email: LGilbert@kairosenergycapital.com



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
HAWAII CHAPTER

February 11, 2013

The Hon. Chris Lee, Chair, and
Members of the House Committee on
Energy & Environmental Protection

The Hon. Jessica Wooley, Chair, and
Members of the House Committee on Agriculture

Re: Amended Testimony in Support of H.B. No. 453, Relating to Renewable Energy
Hearing Date and Time: 8:30 a.m., February 12, 2013
Conference Room 325, Hawaii State Capitol

Dear Chairs Lee and Wooley and Members of the Committees:

I am submitting this testimony on behalf of NAIOP Hawaii in **support** of H.B. No 453, relating to renewable energy. We are the Hawaii chapter of NAIOP, the Commercial Real Estate Development Association, which is the leading national organization for developers, owners and related professionals in office, industrial and mixed-use real estate. The local chapter comprises property owners, managers, developers, financial institutions and real estate related professionals who are involved in the areas of commercial and industrial real estate in the State of Hawaii.

NAIOP Hawaii supports this measure, which would allow landlords to provide renewable energy to tenants without becoming classified as a "public utility." We understand that certain landlords may have been deterred from developing renewable energy for provision to their tenants because of their concern they will become a utility subject to regulation by the Public Utilities Commission. This measure would clarify that the definition of "public utility" is not intended to cover such a situation.

Given Hawaii's efforts to lessen dependence on fossil fuel and to encourage development of alternative energy, it makes sense to encourage landlords to provide viable renewable energy programs that can lower the costs of electricity for tenants.

Thank you for the opportunity to testify on this measure.

Respectfully,

James K. Mee
Chair, Legislative Affairs Committee



House Committee on Energy and Environmental Protection
Testimony in opposition to House Bill 453

Testimony of Alex Tiller, Sunetric CEO
Tuesday, Feb. 12th, 8:30 a.m.

Chair Lee, Vice Chair Thielen, and members of the committee:

Sunetric is a Hawaii based company that designs and installs solar systems for residential and commercial clients. Our company has 140 employees located on Oahu, Maui and Hawaii Island, although we do solar work on all of Hawaii's islands. We are grateful to the Legislature for the support that we've received in the past and look forward to a continued productive relationship in which our industry works to achieve the state's energy and economic security goals, while also providing meaningful work for ourselves and our employees.

Sunetric **supports** House Bill 453, which exempts landlords and lessors who install renewable energy systems to their property to be defined as "public utilities."

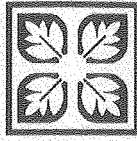
Under current law, if a property owner or lessor installs a renewable energy system on the property and sells the electricity generated to tenants or lessees on the premises, the property owner or lessor would be consider a "public utility," thus creating a disincentive to install anything.

Sunetric believes that the law should contain disincentives, particularly since the state is already behind in meeting its self-mandated Hawaii Clean Energy Initiative. We also support the clause in HB 453 that provides for the landlord or lessor to disclose a rate schedule for the duration of the lease to the lessee. It gives additional transparency to the process.

Thank you for the opportunity to submit testimony on this measure.

Sincerely,

Alexander Tiller, CEO
Sunetric



CATHOLIC CHARITIES HOUSING DEVELOPMENT CORPORATION

House Committee on Energy and Environmental Protection
Tuesday, February 12, 2013 at 8:30 a.m.
State Capitol, Conference Room 325

HB453: Relating to Renewable Energy

Testimony in **SUPPORT of HB453**

Testimony of Edward Ontai, Executive Director, Catholic Charities Housing Development Corporation

Chair Lee, Vice Chair Thielen, and Committee Members:

Catholic Charities Hawaii **supports** Senate HB453, the bill that exempts landlords and lessors who install renewable energy systems on their property and sells to their tenants and lessees from the definition of "public utility".

Catholic Charities Housing Development Corporation, incorporated as a 501(c)(3) in 1999 set on a course to own, develop, and manage real estate properties with the intent to provide affordable housing for the elderly, special needs individuals and other socially or economically disadvantaged persons and families in the State of Hawai'i. As a natural extension, Catholic Charities Housing Development Corporation has undertaken the development of affordable housing for the working poor and other vulnerable populations.

The statute as written is a disincentive for landlords to develop renewable energy systems for tenants. The exemption that HB453 would provide the landlord or lessor could enable organizations such as ours to invest in renewable solutions for our lessees. We see the direct potential benefits to our disadvantaged tenants.

Thank you for the opportunity to testify in support of this matter.

Sincerely,

Edward Ontai
Executive Director
Catholic Charities Housing Development Corporation



February 11, 2013

ATLANTIC CITY (NJ)

CHESTER (PA)

CHICAGO (IL)

DETROIT (MI)

FT. WORTH (TX)

HONOLULU (HI)

IRVINE (CA)

JACKSON (MS)

KANSAS CITY (MO)

LODI (CA)

LOS ANGELES (CA)

NEW HAVEN (CT)

NEW ORLEANS (LA)

ORLANDO (FL)

PHILADELPHIA (PA)

PITTSBURGH (PA)

TAMAQUA (PA)

TAMPA (FL)

TRENTON (NJ)

TULSA (OK)

TUPELO (MS)

Rep. Chris Lee, Chair
Rep. Cynthia Thielen, Vice-Chair
Committee on Energy and Environment
Rep. Jessica Wooley, Chair
Rep. Richard H. K. Onishi, Vice-chair
Committee on Agriculture
State Capitol, Conference Room 325
415 South Beretenia Street
Honolulu, HI 96813

RE: Written Testimony – **Bill HB 453**
Tuesday, February 12, 2013 at 8:30 a.m.

Dear Chair Lee, Vice Chair Thielen, and Committee Members:

The Michaels Development Company **supports** Senate Bill HB 453, the bill that exempts landlords and lessors from the definition of “public utility” for the installation of renewable energy systems to our properties. Not only does renewable energy systems help offset the high cost of energy in Hawaii for the owner and the residents, it is globally conscience to utilize “green” technologies in which it would decrease the state’s dependence on fossil fuels. The statue as written is a deterrent for landlords to develop renewable energy systems for tenants who would aid in lower utility costs resulting in cost savings to tenants and lower costs of operations for the owner. Approving SB19 would provide the necessary exemption to the landlord or lessor so that owners could invest in renewable solutions for lessees.

The Michaels Development Company is a private sector firm with over 35 years of experience in producing top quality, affordable housing. Since 1973, Michaels has developed and rehabilitated over 45,000 units in 33 states, the District of Columbia, and the U.S. Virgin Islands. Michaels has overseen over \$2.5 billion of new construction and substantial rehabilitation with a portfolio that includes over 100 communities affordable to lower income households and seniors through project based Section 8 and the leveraging of other federal assistance programs, as well as over 70 communities affordable to working families through the use of low income housing tax credits.

As Master Developer for the Kuhio Park Community, we are highly interested in installing renewal energy systems as we develop the next 10 phases of affordable housing and therefore support Bill HB 453.

Thank you for the opportunity to testify on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Monika Mordasini".

Monika Mordasini
VP, Development

thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 7:03 PM
To: EEPtestimony
Cc: dlmendiola@gmail.com
Subject: Submitted testimony for HB453 on Feb 12, 2013 08:30AM

HB453

Submitted on: 2/10/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Davi-Ann L. Mendiola	Individual	Support	No

Comments: As a long-time renter, I urge the committee to please pass this bill to help other renters across Hawaii.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 08, 2013 9:56 PM
To: EEPtestimony
Cc: douglasperrine@yahoo.com
Subject: Submitted testimony for HB453 on Feb 12, 2013 08:30AM

HB453

Submitted on: 2/8/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Perrine	Individual	Support	No

Comments: Passage of this bill is essential to meeting Hawaii's renewable energy goals. Without the protection this measure provides, any landowner would be foolish to invest in a renewable energy system on a rental property, because they might end up like me. I invested a substantial sum in a solar electric system, with the State of Hawaii as my partner, covering one third of the cost in tax credits. Neither Hawaii nor myself are seeing any return on our investment as the system has been disconnected. The tenant has found justification in the current legal ambiguity to refuse to pay for the solar electricity generated, and I am refusing to provide it for free. Therefore Hawaii has paid 1/3 of the cost of a facility that is producing power that goes unused, while HELCO is burning fossil fuel to supply the tenant's electricity. This situation can be remedied if HB453 becomes law.

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thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 6:07 PM
To: EEPtestimony
Cc: lpfaleafine@gmail.com
Subject: Submitted testimony for HB453 on Feb 12, 2013 08:30AM

HB453

Submitted on: 2/10/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lezley P. Faleafine	Individual	Support	No

Comments: Committee Members, I strongly urge you empower the people of Hawaii and pass this bill. Mahalo, Neenz Faleafine.

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thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 10:12 PM
To: EEPtestimony
Cc: kokuaguy@gmail.com
Subject: Submitted testimony for HB453 on Feb 12, 2013 08:30AM

HB453

Submitted on: 2/10/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Salling	Individual	Support	No

Comments: I live in Kalihi and I vote and I campaign extensively on FACEBOOK and by email to rally support for my positions from members of UNITY CHURCH and CHURCH OF THE CROSSROADS, both of which I attend. The most important issue facing the human species now is climate change and global warming. This legislation is crucial in that regard. Mahalo a nui lua for your concern and kokua. Michael Salling 3398 Kalihi St. Hon HI 96819 (808) 388-7300

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thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 7:30 PM
To: EEPtestimony
Cc: makaha808@yahoo.com
Subject: *Submitted testimony for HB453 on Feb 12, 2013 08:30AM*

HB453

Submitted on: 2/10/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Susan L. Larkin	Individual	Support	No

Comments:

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To: EEPtestimony
Cc: lopest002@hawaii.rr.com
Subject: *Submitted testimony for HB453 on Feb 12, 2013 08:30AM*

HB453

Submitted on: 2/10/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Taimane Lopes	Individual	Support	No

Comments:

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thielen3 - Charles

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To: EEPtestimony
Cc: Tfrigaard@gmail.com
Subject: *Submitted testimony for HB453 on Feb 12, 2013 08:30AM*

HB453

Submitted on: 2/10/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Terri Frigaard	Individual	Support	No

Comments:

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thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 11, 2013 11:40 AM
To: EEPtestimony
Cc: info@honualani.com
Subject: Submitted testimony for HB453 on Feb 12, 2013 08:30AM

HB453

Submitted on: 2/11/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jacqueline Roberts	Individual	Support	No

Comments: We should not tax any solar installations by landlords.

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thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 11, 2013 1:18 PM
To: EEPtestimony
Cc: mz@conservehi.org
Subject: *Submitted testimony for HB453 on Feb 12, 2013 08:30AM*

HB453

Submitted on: 2/11/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Marjorie Ziegler		Support	No

Comments:

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thielen3 - Charles

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 11, 2013 2:43 PM
To: EEPtestimony
Cc: info@swamwine.com
Subject: *Submitted testimony for HB453 on Feb 12, 2013 08:30AM*

HB453

Submitted on: 2/11/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jill Shiroma	Individual	Support	No

Comments:

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thielen3 - Charles

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Sent: Monday, February 11, 2013 3:05 PM
To: EEPtestimony
Cc: ryanozawa@gmail.com
Subject: Submitted testimony for HB453 on Feb 12, 2013 08:30AM

HB453

Submitted on: 2/11/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Ryan Ozawa	Individual	Support	No

Comments: Given Hawaii's real estate market, renters represent a significant portion of the state's households. Without exempting landlords from PUC restrictions that predate small-scale electricity generation, there's no incentive for them to invest in clean energy systems, which means Hawaii families can't benefit from fixed energy rates, property owners can't benefit from various incentives, and the broader community can't benefit from reduced fossil fuel consumption.

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thielen3 - Charles

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Sent: Monday, February 11, 2013 5:33 PM
To: EEPtestimony
Cc: tmani1711@gmail.com
Subject: *Submitted testimony for HB453 on Feb 12, 2013 08:30AM*

HB453

Submitted on: 2/11/2013

Testimony for EEP on Feb 12, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
troy scanlan	Individual	Support	No

Comments:

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