
A BILL FOR AN ACT

RELATING TO ON-BILL PROGRAMS.

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

1 SECTION 1. The purpose of this measure is to ensure that
2 electric utilities acting as billing and collections agents in a
3 purely "pass-through" capacity for any on-bill financing program
4 or on-bill repayment program in the State do not inappropriately
5 incur costs and assessments from Hawaii tax laws and are not
6 otherwise regulated as financial and debt collection
7 organizations operating in the State.

8 SECTION 2. Section 269-125, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "~~§~~269-125~~§~~ On-bill financing for energy efficiency
11 and renewable energy. (a) The public utilities commission
12 shall investigate an on-bill financing program that would allow
13 an electric utility company customer to purchase or otherwise
14 acquire a renewable energy system or energy-efficient device, as
15 determined by the public utilities commission, by providing for
16 billing and payment of such a system or device through an



1 assessment on the electric utility company customer's
2 electricity bill.

3 (b) In investigating an on-bill financing program, the
4 public utilities commission may consider:

- 5 (1) The costs and benefits associated with the
6 establishment and administration of the program;
- 7 (2) The ability of the program to effectively provide life
8 cycle cost savings to participating electric utility
9 company customers;
- 10 (3) The ability of the program to make renewable energy
11 and energy efficiency more accessible to the rental
12 market and other underserved markets;
- 13 (4) Methods to structure the program to ensure that any
14 public benefits fee funds are spent cost-effectively
15 and in compliance with applicable statutes;
- 16 (5) The use of non-ratepayer funds or private capital to
17 provide financing for renewable energy systems or
18 energy-efficient devices acquired through the program;
- 19 (6) Reasonable penalties, which may include fines and
20 disconnection of utility services, for nonpayment of
21 on-bill financing costs;



1 (7) The ability of an electric utility company to recover
2 costs incurred due to the program; and

3 (8) Other issues the public utilities commission deems
4 appropriate.

5 (c) If on-bill financing is determined by the public
6 utilities commission to be viable, the public utilities
7 commission may implement an on-bill financing program by
8 decision and order or by rules pursuant to chapter 91.

9 (d) Amounts collected from electric utility customers by
10 electric utilities for the repayment of on-bill obligations
11 shall not be considered revenue of the electric utilities and
12 accordingly, shall not be subject to state or county taxes,
13 including the general excise tax under chapter 237, the public
14 service company tax under chapter 239, the public utility fee
15 under section 269-30, and the public utility franchise tax under
16 chapter 240.

17 (e) The act of serving as an agent to bill and to collect
18 the repayment of on-bill obligations shall not cause any
19 electric utility to be subject to the laws that regulate
20 financial institutions, escrow depositories, or collection



1 agencies. An electric utility shall not be responsible for
2 lending, underwriting, and credit determinations.

3 (f) For purposes of this section:

4 "On-bill obligation" means any and all costs resulting from
5 the purchase and installation of renewable energy, energy
6 efficiency, or energy conservation systems approved by the
7 commission for repayment through an on-bill program.

8 "On-bill program" means any program approved by the
9 commission that allows for the payment or repayment by an
10 electric utility customer for the purchase and installation of
11 renewable energy, energy efficiency, or energy conservation
12 systems as part of the purchasing electric utility customer's
13 electric utility bill."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2112.



Report Title:

On-bill Financing; On-bill Repayment; Public Utilities
Commission; Electric Utilities; Billing and Collections; Tax
Exemption

Description:

Exempts electric utilities acting as billing and collections
agents for an on-bill program from various State taxes and State
laws regulating financial institutions, escrow depositories, or
collection agencies. Effective 7/1/2112.

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