



**LATE**

Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEE ON WAYS & MEANS  
Tuesday, April 4, 2017 — 9:35 a.m. — Room 211

**Ulupono Initiative with Comments on HB 1593 HD 1 SD 1, Relating to Green Infrastructure**

Dear Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable, clean, renewable energy; and reduce waste. Ulupono believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono provides comments on HB 1593 HD 1 SD 1**, which establishes an energy storage system rebate program using legislative appropriations and bond funding from the Hawai'i Green Energy Market Securitization (GEMS) program.

While Ulupono believes that an energy storage incentive needs to be established to meet the State's 100 percent renewable portfolio standard goal, there are more effective and prudent ways to implement the intent than the proposed rebate program via a GEMS funding source. Ulupono is supportive of this measure as long as the funding does not come from the Hawai'i's Green Energy Market Securitization (GEMS) program, which was designed to be a loan program. Therefore, we are supportive of the legislative appropriation as a source of funding.

The green infrastructure special fund was established in June 2013 to provide low-cost financing for energy technology to ensure all ratepayers receive an opportunity for affordable clean energy. The rebate program complicates the repayment of the green infrastructure bonds, as there is no direct revenue-generating component from the rebate. Ulupono further feels that funding for energy programs will continue to be available and replenished if an effective loan program is implemented.

The bond legal documents and the Public Utilities Commission's (PUC) order clearly state the purpose of the funds to be loans. A "bait and switch" approach to financial markets where the State applies for funds for one reason and use them for another is going to

*Investing in a Sustainable Hawai'i*



damage our state's reputation with the investment community.

It is important to keep in mind that the GEMS program has only been operational for a year and a half. Furthermore, GEMS's loan programs were severely impeded when the PUC changed the rules to restrict Net Energy Metering for rooftop solar. Currently, the GEMS program is growing in the number and size of potential projects in its pipeline and is actively working on obtaining more. For example, Hawai'i Green Infrastructure Authority and the utility have been working on an on-bill repayment mechanism for GEMS funding and \$9.6 million has been committed towards a project to allow homeowners on Molokai to obtain solar hot water heaters. This pilot will leverage the new on-bill repayment mechanism to more effectively reach low and moderate-income homeowners and renters.

Energy storage is the key missing next piece for Hawai'i to meet its 100 percent renewable portfolio standard goal. Energy storage systems allow for increased adoption of all types of renewable energy generation and improve the resilience of the electrical grid. We appreciate the Legislature's desire to assist energy storage growth in Hawai'i, but we feel this strategy would not be prudent.

UluPono Initiative is supportive of revenue neutral tax credits for energy storage such as Senate Bill 665, which is working its way through the legislature, would reallocate the Renewable Energy Investment Tax Credit between solar and energy storage so that both can prosper. We believe this is a better way to achieve our State's policy objectives.

UluPono is supportive of the reduction of some of the PUC oversight to encourage more rapid deployment of loans.

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support renewable energy production.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner



From: [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
 To: [WAM Testimony](#)  
 Cc: [erica.dahl@vivintsolar.com](mailto:erica.dahl@vivintsolar.com)  
 Subject: Submitted testimony for HB1593 on Apr 4, 2017 09:35AM  
 Date: Tuesday, April 4, 2017 6:35:43 AM

**HB1593**

Submitted on: 4/4/2017  
 Testimony for WAM on Apr 4, 2017 09:35AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Erica Dahl   | Vivint Solar | Support            | No                 |

Comments: Testimony In SUPPORT OF THE INTENT of HB 1593 RELATING TO GREEN INFRASTRUCTURE Before the SENATE WAYS AND MEANS COMMITTEE Tuesday, April 4, 2017 9:35 a.m. Aloha Chair Tokuda, Vice-Chair Dela Cruz and members of the Committee. I am Erica Dahl, VP of Government Affairs for Vivint Solar. I support the intent of the Energy Storage System Rebate Program contained in HB 1593 to incentivize Hawaii power customers' investments in energy storage, new renewable generation, and to bring back hundreds of renewable energy jobs lost during the last 2 years. I invite the Committee to consider amending HB 1593 to provide that: • the Energy Storage System Rebate Program be a rebate program administered by the public benefits fee administrator pursuant to HRS section 269-122, and • the Energy Storage System Rebate Program be funded through the public benefits fee pursuant to HRS section 269-121. Amending HB 1593 to provide an energy storage rebate paid out of the Public Benefits Fee (PBF), instead of the Green Energy Market Securitization (GEMS) fund, would be consistent with the purpose of the PBF, and would not alter the legislature's intended purpose of the GEMS fund. Thank you for allowing me to testify in support of the intent of HB 1593 and to offer comments for amending HB 1593.

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](mailto:webmaster@capitol.hawaii.gov)

**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 4, 2017 8:14 AM  
**To:** WAM Testimony  
**Cc:** bmccormick808@gmail.com  
**Subject:** Submitted testimony for HB1593 on Apr 4, 2017 09:35AM

**HB1593**

Submitted on: 4/4/2017

Testimony for WAM on Apr 4, 2017 09:35AM in Conference Room 211

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Present at Hearing</b> |
|---------------------|---------------------|---------------------------|---------------------------|
| Ben McCormick       | Individual          | Support                   | No                        |

Comments: Energy Storage is critical to the growth of renewable energy in Hawaii. This bill lays the groundwork for that and I am support it as a Hawaii resident and employer. Incentives encourage people to act and this bill would do that. Storage doubles the cost of a PV system and relief is needed to maintain solar jobs in Hawaii. If energy storage costs can be temporarily subsidized, the industry will stabilize and grow. As a side note, increasing energy storage on island has a public safety benefit. If there was a large scale disruption in power, having access to stored, renewable solar power would allow the islands to resume normal function sooner. Please pass this bill to maintain the Hawaii solar industry and allow Hawaii to meet it's clean energy goals.

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](mailto:webmaster@capitol.hawaii.gov)