



DAVID Y. IGE  
GOVERNOR

GWEN S. YAMAMOTO LAU  
EXECUTIVE DIRECTOR

## HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of  
**Gwen Yamamoto Lau**  
**Executive Director**  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Friday, April 9, 2021  
10:10 A.M.  
State Capitol, Conference Room No. 211 & Videoconference

In consideration of  
**HOUSE BILL NO. 558, HD2**  
**RELATING TO CLEAN ENERGY FINANCING**

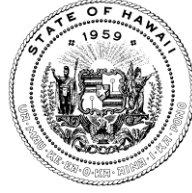
Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

Thank you for the opportunity to testify and provide comments on House Bill 558, HD2, relating to clean energy financing. This bill proposes to create a clean energy and energy efficiency revolving loan fund under the administration of the Hawaii Green Infrastructure Authority (HGIA). HGIA **strongly supports** this bill.

With the state's current fiscal crisis, accessing Federal funds, which can be further leveraged with private capital, will be critical to continue investments in clean energy infrastructure and help kick-start Hawaii's economy. Our collective goal is to reduce energy costs, drive higher paying green job creation/retention and save billions of dollars currently spent on importing petroleum.

This bill would enable HGIA to submit an application to the U.S. Department of Agriculture, under its Rural Energy Savings Program to borrow flexible, low-cost loan capital and facilitate green infrastructure investments in rural areas across the state. Additionally, there appears to be bi-partisan support for the \$27.0 billion Clean Energy and Sustainability Accelerator in President Biden's American Jobs Plan. If passed, this nonprofit national climate bank will be an additional source of capital for green banks like HGIA.

Thank you for this opportunity to testify and provide comments in support of HB 558, HD2.



DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LT. GOVERNOR

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

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CATHERINE P. AWAKUNI COLÓN  
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
Senate Committee on Ways and Means  
Friday, April 9, 2021  
10:10 a.m.  
Via Videoconference**

**On the following measure:  
H.B. 558, H.D. 2, RELATING TO CLEAN ENERGY FINANCING**

**WRITTEN TESTIMONY ONLY**

Chair Dela Cruz and Members of the Committee:

My name is Dean Nishina, and I am the Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department appreciates the intent of and offers comments on this bill.

The purposes of this bill are to: (1) create the clean energy and energy efficiency revolving loan fund within the Hawaii green infrastructure special fund under the administration of the Hawaii green infrastructure authority; (2) amend and expand the purpose of the \$50,000,000 revolving sub-fund for state agencies, which also includes existing power purchase agreements and the electrification of fleet vehicles; (3) repeal the building energy efficiency revolving loan fund, and (4) appropriate loan ceiling.

The Department appreciates H.D. 2's intent to seek other forms of financing to supplement and/or complement ratepayer-funded programs that finance clean energy technology and infrastructure. Given the State's high energy costs, the ability of

ratepayers to support broad areas of the clean energy technology market, especially technologies that may not be commercially viable or cost-effective, are extremely limited. The proposed language appears to address the concern that “[a]ny fees collected by the authority under this section” do not include monies collected as a result of tariffs approved by the Public Utilities Commission or monies meant for repaying the Public Benefits Fund. Otherwise, the depositing of fees or monies collected by the Authority, as described in Hawaii Revised Statutes section 196-65(a), into the clean energy and energy efficiency revolving loan fund would be inconsistent with the stated intent of this measure: to create a source of funding that does not rely on ratepayer funds and that can be used for a broad range of clean energy technology.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR  
  
ROBERT YU  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 558, H.D. 2

**April 9, 2021**  
**10:10 a.m.**  
**Room 211 and Videoconference**

RELATING TO CLEAN ENERGY FINANCING

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 558, H.D. 2.

H.B. No. 558, H.D. 2, creates a Clean Energy and Efficiency Revolving Loan Fund (CEERLF) within the Hawai'i Green Infrastructure Authority's (HGIA) special fund; allows State agencies to finance their purchase options under existing energy performance contracts and power purchase agreements to further reduce and stabilize future energy costs, with the option to utilize savings to finance the installation of electric vehicle charging systems and lease or purchase electric vehicles; repeals the Building Energy Efficiency Revolving Loan Fund (BEERLF) and provides that any unencumbered balance in the BEERLF shall be transferred to the credit of the CEERLF; and appropriates an unspecified amount of funds out of the CEERLF to make clean energy investment loans or for other approved uses.

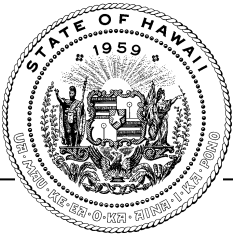
Whereas the BEERLF restricts the use of funds to energy efficiency improvements in buildings, the CEERLF would expand the objective and use of funds to include clean energy investments in addition to buildings. Funds shall be used to

provide low-cost loans at below-market rates or other authorized financial assistance to eligible public, private, and nonprofit borrowers for clean energy investments or other authorized uses. The measure provides a loan ceiling of \$50,000,000 for the CEERLF.

As a matter of general policy, B&F does not support the creation of any revolving or special fund which does not meet the requirements of Section 37-52.4 or Section 37-52.3, HRS. Both revolving and special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 558, H.D. 2, it is difficult to determine whether the proposed CEERLF would be self-sustaining.

In addition, the intent of H.B. No. 558, H.D. 2, appears similar to language in Act 121, SLH 2018, which created a \$50,000,000 sub-fund within HGIA's special fund to serve as a revolving line of credit to finance energy efficient measures. While this sub-fund is also special funded, it is unclear if the fund created in this measure is to be another special-funded sub-fund or a separate revolving fund independent of HGIA's special fund.

Thank you for your consideration of our comments.



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Friday, April 9, 2021  
10:10 AM  
State Capitol, Conference Room 211 & Videoconference

In SUPPORT of  
**HB 558, HD2**  
**RELATING TO CLEAN ENERGY FINANCING.**  
(Written Testimony Only)

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports HB 558, HD2, which would establish the Clean Energy and Energy Efficiency Revolving Loan Fund under the Hawai'i Green Infrastructure Authority (HGIA) and repeal the Building Energy Efficiency Revolving Loan Fund under HSEO.

HSEO supports the creation of the new revolving loan fund to provide flexible financing and low-cost capital for clean energy infrastructure. Given the new fiscal constraints from COVID-19, enactment of this bill would allow HGIA to pursue non-state government funds. HGIA would then be in a position to deploy funds to support a broad range of clean energy technologies and infrastructure more expediently as compared to using bond financing. It would also provide more affordable energy options for all ratepayers, which supports the State's clean energy goals while contributing to Hawai'i's economy.

Given the State's current fiscal shortfall, opportunities to leverage funds from other sources to invest in green infrastructure must be pursued. The U.S. Department of Agriculture (USDA) recently included green banks as eligible borrowers for its Rural Energy Savings Program. If given the authority to borrow moneys from other funding sources, HGIA could apply to borrow federal funds under the USDA program for green

infrastructure investments in rural areas across the state. HSEO supports the provisions of this bill that amend HGIA's statute to allow the authority to borrow moneys from the Federal government and other sources.

HSEO supports this bill provided that its passage does not replace or adversely impact priorities in our Executive Budget.

Thank you for the opportunity to testify.

TESTIMONY OF  
JAMES P. GRIFFIN, Ph.D.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
SENATE COMMITTEE ON  
WAYS AND MEANS

April 9, 2021  
10:10 a.m.

Chair Dela Cruz and Members of the Committee:

**MEASURE:** H.B. No. 558 HD2

**TITLE:** RELATING TO CLEAN ENERGY FINANCING.

**DESCRIPTION:** Creates the clean energy and energy efficiency revolving loan fund in the Hawaii green infrastructure special fund to be administered by the Hawaii green infrastructure authority. Amends and expands the purpose of the revolving sub-fund for state agencies and also includes the electrification of fleet vehicles. Repeals the building energy efficiency revolving loan fund. Appropriates loan ceiling. Effective 7/1/2050. (HD2)

**POSITION:**

The Public Utilities Commission (“Commission”) offers the following comments for consideration.

**COMMENTS:**

The Commission appreciates the intent of this measure to strengthen HGIA's ability to support investment in energy efficiency and green energy technology, including solar energy systems and other clean energy equipment, electric vehicles, and electric vehicle charging systems and infrastructure.

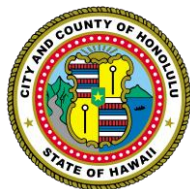
The Commission defers to the Hawaii State Energy Office with regard to this measure's policy impacts. It is the Commission's understanding that this measure will not impact HGIA's obligation to repay proceeds from the green energy market securitization loan program that have been guaranteed and funded by Hawaiian Electric's customers.

Thank you for the opportunity to testify on this measure.



OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY  
**CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI  
MAYOR

MATTHEW GONSER, AICP, CFM  
EXECUTIVE DIRECTOR &  
CHIEF RESILIENCE OFFICER

FRIDAY, APRIL 9, 2021, 10:10 A.M.

STATE OF HAWAII  
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON HOUSE BILL 558, HD2  
A BILL RELATING TO CLEAN ENERGY FINANCING**

BY,

MATTHEW GONSER  
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER  
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The City and County of Honolulu (City) Office of Climate Change, Sustainability and Resiliency (CCSR) **supports** House Bill 558, HD2, which creates a clean energy and energy efficiency revolving loan fund under the administration of the Hawai'i Green Infrastructure Authority (HGIA).

A revolving loan fund is a powerful tool to finance installations or procurements of energy efficiency measures, renewable energy generation, electric vehicles, and electric vehicle charging infrastructure, as well as other projects critical to achieving the State's sustainability and resilience goals. Financing mechanisms such as a revolving loan fund are essential to achieving the City's goal of reaching 100 percent renewable energy and net-negative carbon emissions no later than 2045, as codified via City Ordinance 20-47. Additionally, this bill would empower HGIA to implement and administer loan programs on behalf of other agencies, including City agencies, thereby reducing administrative burden and cost of deployment.

Passage of HB558, HD2 supports the City's economic recovery efforts and will enhance Hawai'i's ability to take climate action and protect its residents from climate impacts in an equitable and cost-effective manner. By providing the ability to attract and leverage federal and private sources of capital, a revolving loan fund can lower overall costs and provide access to clean energy technologies for those who have not yet been able to afford them. This can be particularly important for O'ahu's residents right now, as many face unprecedented economic and energy burdens as a result of

Chair Dela Cruz and Vice Chair Keith-Agaran  
HB558, HD2  
April 9, 2021  
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the COVID-19 pandemic. Moreover, this bill will simultaneously act as a powerful economic stimulus and job creation engine in response to the ongoing pandemic.

Thank you for the opportunity to testify in support of HB558, HD2.

# OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR  
MICHAEL A. DAHLIG, MANAGING DIRECTOR

## Testimony of Ben Sullivan

Energy & Sustainability Coordinator, Office of Economic Development

Before the

### Senate Committee on Ways and Means

April 9, 2021; 10:10 am

Conference Room 211

In consideration of

### House Bill 558 HD2

### Relating to Clean Energy Financing

Honorable Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The County of Kauai **supports** HB 558 HD2, which creates the clean energy and energy efficiency revolving loan fund in the Hawaii green infrastructure special fund, to be administered by the Hawaii Green Infrastructure Authority (HGIA).

Energy efficiency and clean energy retrofits offer significant potential to both grow jobs and to help local households and small businesses reduce costs as we all work to restore economic activity in our communities. Giving HGIA greater flexibility is essential to enable the agency to quickly adapt to market needs and to avoid some of the delays and expenses associated with earlier programs.

Kauai County, who has been excluded from previous on-bill programs due to KIUC's choice to opt-out of the Public Benefits Fund, looks forward to having this option available to our residents and small businesses as soon as possible.

We thank you for the opportunity to testify in support of this measure.



# Environmental Caucus of The Democratic Party of Hawai'i

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April 9, 2021

To: Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Senate Committee on Ways and Means

Re: HB 558, HD2 RELATING TO CLEAN ENERGY FINANCING

Meeting: Tuesday, April 9, 2021, 10:10 a.m., Room 221 via videoconference

Position: **STRONG SUPPORT**

Aloha, Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

The Environmental Caucus of the Democratic Party of Hawai'i and its Natural Resources Committee are in **strong support** of HB558, HD2, as it creates the clean energy and energy efficiency revolving loan fund in the Hawaii green infrastructure special fund to be administered by the Hawaii green infrastructure authority. It amends and expands the purpose of the revolving sub-fund for state agencies and also includes the electrification of fleet vehicles. This bill repeals the building energy efficiency revolving loan fund and appropriates a loan ceiling. This bill is consistent with the Democratic Party of Hawai'i ("DPH") Party Platform.

The Democratic Party of Hawai'i has adopted at its 2018 State Convention, clear safeguards to protect and promote our clean and healthy environment. At page 17-18 of the DPH Platform, it specifically provides, to wit:

## **ENERGY**

We seek to achieve energy sustainability based on renewable energy sources. We must encourage the use of clean alternative fuel sources to include our public transportation systems. We must increase the use of public transit, telecommuting, car and vanpooling, ridesharing, biking, walking, and other forms of transportation thereby reducing traffic

congestion and air pollution. We must also urgently develop the use of a variety of cost-effective energy providing systems, encourage transit-oriented development, and support tax incentives that encourage renewable energy initiatives.



April 9, 2021

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We oppose any tax breaks to fossil fuel industries. We support energy independence, self-sufficiency, affordability and reliability for *Hawai'i* through the development of renewable alternative energy sources. Specifically, we need to support policies that foster the development of energy production methods that de-emphasize carbon-bass and promote renewable sources such as wind, solar, wave, geothermal and Ocean Thermal Energy Conversion (OTEC).

Electricity rates in Hawai'i are among the highest in the Nation even though we enjoy an abundance of sunshine year-round. Electric utility companies and cooperatives must open the grid to alternative power sources including solar panels and geothermal energy. We support the effort of our government officials to require utilities to provide for the maximum, comprehensive, integrated use of renewable energy and associated technologies such as storage and smart grid technologies.

### **COMBAT CLIMATE CHANGE BUILD A CLEAN ENERGY ECONOMY, AND SECURE ENVIROMENTAL JUSTICE**

We are committed to getting 100 percent of our electricity from clean energy sources within a decade. We will cut energy waste in homes, schools, hospitals, and offices through energy efficient improvements; modernize our electric grid; and make manufacturing the cleanest and most efficient in the world. These efforts will create hundreds of new jobs and save families and businesses money on their monthly energy bills. We will transform Hawai'i's transportation by reducing fossil fuel consumption through cleaner fuels, vehicle electrification, and increasing the fuel efficiency of cars, boilers, ships, and trucks. We will make new investments in public transportation and build bicycle and pedestrian infrastructure across our urban and suburban areas. We believe that the tax code must reflect our commitment to a clean energy future by preserving and extending tax incentives for energy efficiency and clean energy.

Democrats believe that carbon dioxide, methane, and other greenhouse gases should be priced to reflect their negative externalities, and to accelerate the transition to a clean energy economy and help meet our climate goals. Democrats are committed to defending, implementing and extending smart pollution and efficiency standards and fuel economy standards for automobiles and heavy-duty vehicles, building codes and appliance standards. We are also committed to expanding clean energy research and development.

We will work to expand access to cost-saving renewable energy by low-income households, create good-paying jobs in communities that struggled with energy poverty, and oppose efforts by utilities to limit consumer choice or slow clean energy deployment. We will streamline State permitting and accelerate the construction of new transmission lines to get low-cost renewable energy to market, and incentivize wind, solar, and other renewable energy.



April 9, 2021

Page 3

We strongly urge the passage HB 558, HD 2, as it is consistent with the DPH Platform relating to energy efficiency. Specifically, this measure creates the clean energy and energy efficiency revolving loan fund in the Hawaii green infrastructure special fund to be administered by the Hawaii green infrastructure authority. It amends and expands the purpose of the revolving sub-fund for state agencies and also includes the electrification of fleet vehicles. It repeals the building energy efficiency revolving loan fund and appropriates loan ceiling.

Thank you very much for the opportunity to testify on these important issues.

Respectfully yours,

Alan B. Burdick  
Co-Chair, Environmental Caucus  
Co-Chair, Natural Resources Committee  
Democratic Party of Hawai'i  
Email: [burdick808@gmail.com](mailto:burdick808@gmail.com)

Melodie R. Aduja  
Co-Chair, Environmental Caucus  
Co-Chair, Human Environmental Impacts Committee  
Democratic Party of Hawai'i  
Email: [legislativepriorities@gmail.com](mailto:legislativepriorities@gmail.com)



# Environmental Caucus of The Democratic Party of Hawai'i

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Friday, April 9 2021, 10:10 am

Senate Committee on Ways and Means

HOUSE BILL 558 – RELATING TO CLEAN ENERGY FINANCING: Creating the Clean Energy and Energy Efficiency Revolving Fund

Position: Strong Support

Me ke Aloha, Chair Donovan Dela Cruz, Vice-Chair Gilbert Keith-Agaran, and Members of the Committee on Ways and Means:

HB 558 builds upon the resources of the Hawaii Green Infrastructure Authority, consolidating revolving funds for greater impact in a time of low revenues and from the more expensive cost of general obligation bonds. In the process, the fund can access federal and private funds to meet the ambitious efforts needed to transition from fossil fuels to renewables, to establish new infrastructure. The Energy and Climate Action Committee of the Environmental Caucus appreciate the efforts of all concerned to be able to plan broadly and act nimbly. The Clean Energy and Energy Efficiency Revolving Fund can advance this capacity.

As background for our sense of urgency, the International Panel for Climate Control (IPCC) very recently issued its latest (6<sup>th</sup>) Assessment Report, as we approach the coming Paris Climate Accord meeting in Glasgow. Once again, scientists are concluding that the window of opportunity to bring climate change in check is closing faster than we anticipated, once again emphasizing that climate destabilization is accelerating with feedback loops kicking in, sending us deeper into tipping points of no return. The warning that we had only a decade (to 2030) to get our plans rolled into gear is pushing us against the wall sooner than we have been able to react as societies. Our committee believes this goal of 2035 will, in retrospect, seem modest.

In addition, two recent local studies have highlighted the coming changes we cannot avoid. The Nature-Based Climate Resilience Working Paper outlines the breadth of the efforts from agriculture to industry, from community engagement to agency flexibility, from mauka to makai that we need to pursue, and the architectural study “South Shore Promenade” proposes mitigative-adaptive designs for coming sea-level rise from Ke'ehi Lagoon to Waikīkī.

This bill is supported by the State Procurement Office, the State Energy Office, Green Infrastructure Authority, Commerce and Consumer Affairs, Budget and Finance, Honolulu's Office of Climate Change, Sustainability, and Resiliency, as well as the broad spectrum of grass roots organizations interested in promoting environmental awareness.

The Environmental Caucus strongly supports this bill; mahalo for the opportunity to address this issue.

/s/ Charley Ice, Co-Chair, Energy and Climate Action Committee, Environmental Caucus of the Democratic Party



## SENATE COMMITTEE ON WAYS AND MEANS

April 9, 2021, 10:10 A.M.

Video Conference

### TESTIMONY IN SUPPORT OF HB 558 HD2

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Blue Planet Foundation **supports HB 558 HD2**, which strengthens and expands the state's efforts to ensure an equitable transition to our 100% clean energy future.

This measure contains the following important elements:

- Replacing the dormant and unused building energy efficiency revolving loan fund with a “clean energy and energy efficiency revolving loan fund” and moving the governance of the fund to the active Hawai'i Green Infrastructure Authority (HGIA);
- Expanding the potential clean energy technologies that the revolving loan fund can support; and
- Allowing state agencies to finance their purchase options under existing energy contracts to further reduce and stabilize future energy costs, with the option to utilize savings to finance the installation of electric vehicle charging systems and lease or purchase electric vehicles.

These policy changes will help to accelerate the adoption of renewable energy, energy efficiency, and electric vehicles and help businesses and families who are currently underserved by existing market-based clean energy solutions. With nearly half of Hawai'i families living paycheck to paycheck *even before* the COVID-19 pandemic, reverting back to business as usual isn't enough. We need new approaches that protect families by ensuring access to low-cost renewable energy options and affordable monthly energy bills.

The HGIA is an effective entity to implement the clean energy revolving loan fund. The Green Energy Market Securitization (GEMS) loan program—which is governed by the HGIA—was developed as a way to fill underserved gaps and lower the cost of clean energy financing. While the program was initially hampered with regulatory and marketplace challenges, the GEMS program is now successfully achieving this mission, with nearly 80% of residential funds committed to date being deployed as low-interest loans for low-income and moderate-income energy customers.<sup>1</sup> The now-profitable program has helped to create or retain over 1,000 clean

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<sup>1</sup> *Green Energy Market Securitization Program Quarterly Report (July 1, 2020 – September 30, 2020)*, Hawai'i Green Infrastructure Authority.



energy jobs and avoid the emission of nearly a quarter million metric tons of carbon emissions.<sup>2</sup> Moreover, the program’s on-bill financing option enables renters and low-income households to install solar and energy-saving equipment with reduced credit barriers and no upfront costs. Rather than using traditional measures of credit, applicants can qualify regardless of credit history, with eligibility based upon on-time payment of their recent electric bills.

Additional program benefits, according to HGIA's 2020 Annual Report, are detailed below.

Excess Revenues over Expenses – Through September 2020 <sup>3</sup>	<b>\$5.6 million</b>
Jobs Created / Retained	<b>1,095</b>
State of Hawaii Tax Revenues Generated	<b>\$13.3 million</b>
Total Estimated kWh Production / Reduction Over Lifetime	<b>807,485,440</b>
Total Petroleum Displaced Over Lifetime (Estimated Barrels)	<b>495,784</b>
Total Greenhouse Gas Avoided Over Lifetime (Metric Tons CO <sub>2</sub> )	<b>242,863</b>
Percent Low- and Moderate-income Households Served	<b>78.0%</b>

House Bill 558 would allow HGIA to leverage additional funds to expand this effective loan program. The HGIA has a little over \$60 million of the original bond available to lend for approved clean energy projects. Once the bond is exhausted, however, the GEMS program will not be able to continue its effective work, as the funds returned will go to repaying the bond (unless another bond is sought). This measure proposes to continue the GEMS success by overseeing a revolving clean energy loan program, where the repaid funds can then be re-loaned to benefit more businesses and residents. This enables the GEMS loan program—with its requirement to serve at least 51% low- and moderate-income—to continue sustainably.

Finally, the existing, dormant revolving loan fund allows for the receipt of funds from any source, including private sources. This could enable the GEMS program to operate in partnership with philanthropic or other private interests who support accelerating the just transition to 100% clean energy through a proven loan program.

It is also critical that HB 558 contain the appropriate language to allow HGIA to **leverage federal funding available to invest in green infrastructure as Hawai‘i recovers from the COVID-19 pandemic**. The U.S. Department of Agriculture, for example, recently expanded its Rural Energy Savings Program to include green banks as eligible borrowers. Clarifying the language in HB 558 to allow for additional federal funding to flow in-state is especially important now amid the state’s current budget shortfall.

Blue Planet Foundation supports HB 558 as a smart policy to strengthen and expand Hawai‘i’s ability to help us all move together toward 100% clean energy.

Thank you for the opportunity to provide testimony.

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<sup>2</sup> Ibid.

<sup>3</sup> Excess Revenue over Expenses before loan repayments returned to the PUC / Public Benefits Fee Administrator per Order No. 34930 Amending Decision and Order No. 32318 By Changing the Priority uses of GEMS Program Loan Repayments.

**HB-558-HD-2**

Submitted on: 4/7/2021 10:01:51 PM

Testimony for WAM on 4/9/2021 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Testifying for Climate Protectors Hawai'i	Support	No

Comments:

To: The Honorable Donovan Dela Cruz, Chair, The Honorable Gilbert Keith-Agaran, Vice Chair, and Members of the Senate Committee on Ways and Means

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **HB558 HD2 RELATING TO CLEAN ENERGY FINANCING.**

Hearing: Friday, April 9, 2021, 10:10 a.m., Rm. 211 and by videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis. **The Climate Protectors Hawai'i STRONGLY SUPPORTS HB558 HD2.**

As a tropical island State, Hawai'i will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, food insecurity, and rising sea levels destroying our shorelines. **Climate change is here now! Levels of carbon dioxide were measured by US National Oceanic and Atmospheric Administration (NOAA) at Mauna Loa last weekend at 421 parts per million, higher than at any time in human history! We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible, not wait until 2045!** The sooner we show the world the way towards a safe and sustainable climate and future, the better it will be for our keiki and future generations.

This bill contains the following important elements:

1. Replacing the dormant and unused building energy efficiency revolving loan fund with a "clean energy and energy efficiency revolving loan fund" and moving the governance of the fund to the active Hawai'i Green Infrastructure Authority (HGIA);
2. Expanding the potential clean energy technologies that the revolving loan fund can support; and

3. Allowing state agencies to finance their purchase options under existing energy contracts to further reduce and stabilize future energy costs, with the option to utilize savings to finance the installation of electric vehicle charging systems and lease or purchase electric vehicles.

The bill would:

(1) Repeal the Building Energy Efficiency Revolving Loan Fund; and

(2) Appropriate funds out of the Clean Energy and Energy Efficiency Revolving Loan Fund to make clean energy investment loans or for other approved uses.

This bill would enable HGIA to submit an application to the U.S. Department of Agriculture, under its Rural Energy Savings Program to borrow flexible, low-cost loan capital and facilitate green infrastructure investments in rural areas across the state. Additionally, this bill would also enable both the financing of EV charging stations and the electrification of state vehicles, at no additional cost to the state, by utilizing a new cash flow stream generated from the realized savings of exercising purchase options in existing Power Purchase Agreement(s).

**These policy changes will help to accelerate the adoption of renewable energy, energy efficiency, and electric vehicles and help businesses and families who are currently underserved by existing market-based clean energy solutions.**

**This bill would help the State finance its transition to lower carbon emissions. Please pass this bill! Mahalo!**

Climate Protectors Hawai'i (by Ted Bohlen)



To: The Senate Committee on Ways and Means  
From: Sherry Pollack, 350Hawaii.org  
Date: Friday, April 9, 2021, 10:10 am

### **Support for HB558 HD2**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee members of Ways and Means,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii's 6,000 members **support HB558 HD2** and the creation of this revolving loan fund to provide flexible financing and low-cost capital for clean energy infrastructure, helping the State finance its transition to lower carbon emissions. Efforts such as these and much more are needed if we are to meet our clean energy goals.

The Climate Crisis is here now. Scientists have made clear that we must swiftly phase out fossil fuel use or face untold suffering. **Levels of carbon dioxide were measured by US National Oceanic and Atmospheric Administration (NOAA) at Mauna Loa last weekend at 421 parts per million, higher than at any time in human history!** We no longer have the luxury to wait to take the necessary actions to drastically reduce our greenhouse gas emissions. **The planet faces an existential climate crisis and we must act now!**

Thank you for the opportunity to testify on this very important bill.

Sherry Pollack

Co-Founder, 350Hawaii.org

**HB-558-HD-2**

Submitted on: 4/8/2021 6:50:40 AM

Testimony for WAM on 4/9/2021 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Ha	Testifying for Sustainable Energy Hawaii	Support	No

Comments:

**STRONG SUPPORT** for **HB558 HD2** - RELATING TO CLEAN ENERGY FINANCING.

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee on Ways and Means,

I chair **Sustainable Energy Hawai'i**, a coalition of concerned citizens dedicated to improving the quality of life of Hawaii residents through affordable renewable energy. **We are in strong support of HB558 HD2** as it will enable the needed investment in the infrastructure that will speed up our transition to a sustainable economy.

Thank you for supporting **HB558 HD2**.

Mahalo,

Richard Ha

**HB-558-HD-2**

Submitted on: 4/8/2021 10:05:29 AM

Testimony for WAM on 4/9/2021 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Testifying for Big Island EV Association	Support	No

Comments:

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee on Ways and Means,

**Big Island Electric Vehicle Association is in STRONG SUPPORT of HB 558 HD2.**

**HB 558 HD2** expands the opportunity for investment in ‘green’ infrastructure projects. This is required to accelerate our transition to a clean energy future.

The shift away from fossil fuels for energy and transportation is inevitable – it’s just a matter of time. With funding support for green infrastructure projects, Hawaii will be able to more promptly meet its clean energy goals, build industries and jobs of the future, and enjoy the various benefits that will come with the transition, e.g., energy independence, clean air, and a more sustainable economy.

Please support **HB 558 HD2**.

Thank you for your consideration.

Sincerely,

Noel Morin – President

**Big Island Electric Vehicle Association** ([bigislandev.org](http://bigislandev.org)), established in 2011, is a grassroots non-profit group dedicated to accelerating the adoption of EVs on Hawaii Island. Our members are EV owners and supporters.

**HB-558-HD-2**

Submitted on: 4/8/2021 10:10:08 AM

Testimony for WAM on 4/9/2021 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Noel Morin	Testifying for Hawaii EV Association	Support	No

Comments:

**STRONG SUPPORT** for **HB 558 HD2** (RELATING TO CLEAN ENERGY FINANCING)

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee on Ways and Means,

**Hawaii EV Association is in strong support of HB 558 HD2.**

**HB 558 HD2** will incentivize the investment in projects that will accelerate our transition away from fossil fuels. We must accelerate our progress towards renewable energy and clean transportation.

Thanks for supporting HB 558 HD2.

Sincerely,

Noel Morin

President

**Hawaii EV Association** is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit [hawaiiev.org](http://hawaiiev.org).

**HB-558-HD-2**

Submitted on: 4/7/2021 12:38:36 AM

Testimony for WAM on 4/9/2021 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Janet Pappas	Individual	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and WAM Committee members,

I strongly support SB558 HD2 to set up a loan fund to support clean energy projects in Hawaii.

Our planet and humanity's existence are now in grave danger due to ongoing climate change. Scientists tell us we must take immediate steps to stop global warming. Hawaii is a huge consumer of fossil fuels, to the tune of \$5 billion of imported fuel yearly. Transitioning away from carbon-based fuels is critical if we are to reverse global warming.

Why green infrastructure? And why now? Because what is becoming known as "green technology" is often cheaper and more efficient in the long run.

The state of Hawaii has lost and continues to lose money during the COVID pandemic. As we begin to recover, now is a good time to "build back better" where we can. Because our climate issues are forcing a big change in our energy sources, we need to find the most efficient path to the future.

If everyone had rooftop solar, everyone's electric bills would drop. If everyone had an electric car, their costs for car maintenance and operation would drop. It's also been shown that EVs are easier and cheaper to build. If every state and city building/facility were energy efficient, building operation and maintenance costs would drop. So why don't we do all these things? Because we don't have the upfront money.

Bill HB558 HD2 sets up a revolving loan fund to be used by public and private interests for clean energy projects.

I support this effort to fund green infrastructure projects that can make life better, safer, healthier and less expensive for all Hawaii residents in the future.

Please support HB558 HD2.

Thank you for listening and for this opportunity to testify.



Sincerely,

Jan Pappas - Aiea, Hawaii

**HB-558-HD-2**

Submitted on: 4/7/2021 11:19:07 AM

Testimony for WAM on 4/9/2021 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
tlaloc tokuda	Individual	Support	No

Comments:

Dear WAM Chair, Vice Chair and committee members,

Please pass Bill HB558 HD2out of committee. Given the new fiscal constraints from COVID-19, enactment of this bill would allow HGIA to pursue outside funds. The HGIA would then be in a position to deploy funds to support a broad range of clean energy technologies and infrastructure more efficiently as compared to using bond financing. Providing affordable energy options for all ratepayers would contribute to reaching the State's clean energy goals, while also kick-starting Hawaii's economy.

Mahalo for your consideration

Tlaloc Tokuda

Kailua Kona HI 96740

**LATE**

**HB-558-HD-2**

Submitted on: 4/8/2021 5:46:07 PM

Testimony for WAM on 4/9/2021 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephanie Hall Morin	Individual	Support	No

Comments:

Mahalo for making this happen! This will lead to much greater adoption rates.