



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
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Wednesday, March 24, 2021
Time: 2:00 P.M.

State Capitol, Conference Room No. 329 & Videoconference

In consideration of
SENATE BILL NO. 932, SD2, HD1
RELATING TO THE DEPARTMENT OF
BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee on Consumer Protection & Commerce:

Thank you for the opportunity to testify and provide comments on Senate Bill 932, SD2, HD1, relating to the Department of Business, Economic Development and Tourism. 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, 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).

Thank you for this opportunity to testify and provide comments in support of SB 932, SD2, HD1.

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

TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

March 24, 2021
2:00 p.m.

Chair Johanson and Members of the Committee:

MEASURE: S.B. No. 932 SD2 HD1

TITLE: RELATING TO RENEWABLE ENERGY.

DESCRIPTION: Establishes the clean energy and energy efficiency revolving loan fund. Repeals the building energy efficiency revolving loan fund. Authorizes moneys in the green infrastructure special fund to be used to finance the option to purchase solar energy systems and other clean energy equipment, including the purchase or lease of electric vehicles. Appropriates an unspecified amount out of the clean energy and energy efficiency revolving loan fund. Effective 5/6/2137. (HD1)

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.

S.B. No. 932 SD2 HD1
Page 2

Thank you for the opportunity to testify on this measure.

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 HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
SENATE BILL NO. 932, S.D. 2, H.D. 1

March 24, 2021
2:00 p.m.
Via Videoconference

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 932, S.D. 2, H.D. 1.

S.B. No. 932, S.D. 2, H.D. 1, 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 appropriates an unspecified amount of funds out of the CEERLF to make clean energy investment loans or for other approved uses.

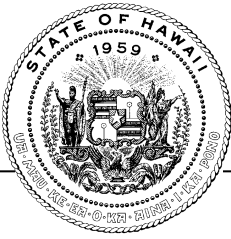
Whereas the BEERLF restricts the use of funds to energy efficiency improvements in buildings, the CEERLF would expand the objective and use of funds to include clean energy investments in addition to buildings. Funds shall be used to

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 S.B. No. 932, S.D. 2, H.D. 1, it is difficult to determine whether the proposed CEERLF would be self-sustaining.

In addition, the intent of S.B. No. 932, S.D. 2, H.D. 1, 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
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday, March 24, 2021
2:00 PM
State Capitol, Conference Room 329 & Videoconference

In SUPPORT of
SB 932, SD2 HD1
**RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.**

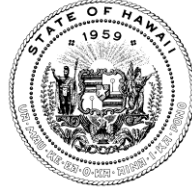
Chair Johanson, Vice Chair Kitagawa, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 932, SD2 HD1, which would establish the Clean Energy and Energy Efficiency Revolving Loan Fund under the Hawai'i Green Infrastructure Authority (HGIA) and repeal the Building Energy Efficiency 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 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 Hawai'i's economy.

Given the State's current fiscal shortfall, opportunities to leverage funds from other sources to invest in green infrastructure are appropriate. HSEO supports amending 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.



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
House Committee on Consumer Protection & Commerce
Wednesday, March 24, 2021
2:00 p.m.
Via Videoconference**

**On the following measure:
S.B. 932, S.D. 2, H.D. 1, RELATING TO THE DEPARTMENT OF
BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM**

WRITTEN TESTIMONY ONLY

Chair Johanson 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 offers comments on this bill.

The purposes of this bill are to: (1) establish the clean energy and energy efficiency revolving loan fund; (2) repeal the building energy efficiency revolving loan fund; (3) authorize moneys in the green infrastructure special fund to be used to finance the option to purchase solar systems and other clean energy equipment, including the purchase or lease of electric vehicles; and (4) appropriate funds out of the clean energy and energy efficiency revolving loan fund.

The Department appreciates H.D. 1'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.

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

650 SOUTH KING STREET, 11th FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-2277 • EMAIL: resilientoahu@honolulu.gov • INTERNET: www.resilientoahu.org



RICK BLANGIARDI
MAYOR

M ATTHEW GONSER, AICP, CFM
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER

WEDNESDAY, MARCH 24, 2021, 2:00 P.M.

STATE OF HAWAII
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

**TESTIMONY ON SENATE BILL 932, SD2, HD1
A BILL RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT, AND TOURISM**

BY,

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

Dear Chair Ling Johanson, Vice Chair Kitagawa, and Members of the Committee:

The City and County of Honolulu (City) Office of Climate Change, Sustainability and Resiliency (CCSR) **supports** Senate Bill 932, SD2, HD1, which establishes the clean energy and energy efficiency revolving loan fund.

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 State and City sustainability and resilience goals. Financing mechanisms such as a revolving loan fund are essential to achieving the City's goal of equitably 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 the Hawai'i Green Infrastructure Authority to implement and administer loan programs on behalf of other agencies, including City agencies, thereby reducing administrative burden and cost of deployment.

Passage of an amended bill as suggested above supports the City's economic recovery efforts and 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 and benefit from them. This can be particularly

Chair Ling Johanson and Vice Chair Kitagawa
SB932, SD2, HD1
March 24, 2021
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important for O'ahu's residents right now, as many face unprecedented economic and energy burdens as a result of 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 SB932, SD2, HD1.

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

House Committee on Consumer Protection & Commerce

March 24, 2021; 2:00 pm

Conference Room 329

In consideration of

Senate Bill 932 SD2, HD1

Relating to Clean Energy Financing

Honorable Chair Johanson, Vice Chair Kitagawa, and Members of the committee:

The County of Kauai **supports** SB 932 SD2, 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.

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.

SB-932-HD-1

Submitted on: 3/22/2021 10:02:33 PM

Testimony for CPC on 3/24/2021 2:00:00 PM

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

Comments:

To: The Honorable Aaron Ling Johanson, Chair,

The Honorable Lisa Kitagawa, Vice Chair, and Members of the

House Committee on Consumer Protection and Commerce

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

Re: Hearing **SB932 SD2 HD1 RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM.**

Hearing: Wednesday, March 24, 2021, 2:00 p.m., by videoconference

Aloha Chair Johanson, Vice Chair Kitagawa, and members of the House Committee on Consumer Protection and Commerce:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The Climate Protectors Hawai'i **STRONGLY SUPPORTS SB932 SD2 HD1 because it would help the State finance its transition to lower carbon emissions!**

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. We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible.

This bill contains the following important elements:

(1) Creates the Clean Energy and Energy Efficiency Revolving Loan Fund within the Hawai'i Green Infrastructure Special Fund, replacing the dormant and unused building energy efficiency revolving loan fund and moving the governance of the fund to the active Hawai'i Green Infrastructure Authority (HGIA);

(2) Authorizes monies in the Green Infrastructure Special Fund to be used to finance the option to purchase solar energy systems and other clean energy equipment, including the purchase or lease of electric vehicles, expanding the potential clean energy technologies that the revolving loan fund can support;

(3) Expands the objective of the \$50,000,000 sub-fund to allow 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. 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; and

(4) Appropriates 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).

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)



Environmental Caucus of The Democratic Party of Hawai'i

Tuesday, March 24, 2021, 2:00 pm

House Committee on Consumer Protection and Commerce

SENATE BILL 932 – RELATING TO DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM: Energy Efficiency Revolving Loan Fund

Position: Strong Support

Me ke Aloha, Chair Aaron Johanson, Vice-Chair Lisa Kitagawa, and Members of the Committee on Consumer Protection and Commerce:

The Energy and Climate Action Committee of the Environmental Caucus supports Senate Bill 932, creating and building an energy efficiency revolving loan fund, to receive funds from State, federal and private sources in support of pushing forward the achievement of the State's energy goals. It is becoming increasingly clear that the 2045 target date for these goals is far too distant, and Kaua'i County is demonstrating that an active will can accomplish greater success than the meek and weak.

The latest IPCC report (2021) has moved the timetable up when Planet Earth needs to get a handle on its greenhouse gas emissions if we are not to lose the habitability we are evolved for. Each new report ratchets up the danger, raising awareness of ice shelf collapse, methane feedback loops, toxic ocean dead zones, increased severity of storms and droughts.

Whether Hawaii can lead the way, we need to be prepared to implement and promote all options that may become available. The proposed revolving loan fund is the next best thing to a public bank for full-scale implementation of necessary changes. The Environmental Caucus heartily supports the ambitious efforts of the Hawaii Green Infrastructure Authority, and supports additional staffing and funding as may be required to move the needle on this issue.

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



HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

March 24, 2021, 2:00 P.M.

Video Conference

TESTIMONY IN SUPPORT OF SB 932 SD2 HD1

Aloha Chair Johanson, Vice Chair Kitagawa, and members of the Committee:

Blue Planet Foundation **supports SB 932 SD2 HD1**, 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.¹ The now-profitable program has helped to create or retain over 1,000 clean

¹ *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.² 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 ³	\$5.6 million
Jobs Created / Retained	1,095
State of Hawaii Tax Revenues Generated	\$13.3 million
Total Estimated kWh Production / Reduction Over Lifetime	807,485,440
Total Petroleum Displaced Over Lifetime (Estimated Barrels)	495,784
Total Greenhouse Gas Avoided Over Lifetime (Metric Tons CO ₂)	242,863
Percent Low- and Moderate-income Households Served	78.0%

Senate Bill 932 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 SB 932 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 SB 932 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 SB 932 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.

² Ibid.

³ 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.

Testimony in Support of SB932

I am writing on behalf of the Kauai Climate Action Coalition to support SB932 Relating to the Department of Business, Economic Development, and Tourism. Establishing the clean energy and energy efficient revolving loan fund will increase the speed at which the state moves to a clean energy future. Improvements such as the move to solar energy systems and electric vehicles are important if we are to meet the goal of being carbon neutral by 2030, the date by which we must be carbon neutral according to scientists. For the sake of our children, our islands, and our economy, please support SB932. Mahalo,

Helen A. Cox

Kauai Climate Action Coalition



Environmental Caucus of The Democratic Party of Hawai'i

March 24, 2021

To: House Committee on Consumer Protection & Commerce
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair, and
Members of the Committee on Consumer Protection & Commerce

Re: SB932, SD2, HD1 – RELATING TO THE DEPARTMENT OF BUSINESS
ECONOMIC DEVELOPMENT, AND TOURISM

Hearing: Wednesday, March 24, 2021, 2:00 p.m., Room 329 via videoconference

Position: **SUPPORT**

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee on Consumer Protection & Commerce:

The Environmental Caucus of the Democratic Party of Hawai'i and its Natural Resources Committee and Human Environmental Impacts Committee stands in **SUPPORT** of SB932, SD2, HD1, as it establishes the clean energy and energy efficiency revolving loan fund and repeals the building energy efficiency revolving loan fund. It authorizes moneys in the green infrastructure special fund to be used to finance the option to purchase solar energy systems and other clean energy equipment, including the purchase or lease of electric vehicles. It also appropriates an unspecified amount out of the clean energy and energy efficiency revolving loan fund.

The Democratic Party of Hawai'i (Party) has adopted at its 2018 State Convention, clear safeguards to protect the *'āina* through combating climate change by eliminating fossil fuels through electrification. At page 18 of the Party Platform, it specifically provides:

“We are committed to getting 100 percent of our electricity from clean energy sources within a decade. . . . 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. . . .

Democrats are committed to defending, implementing and extending smart pollution and efficiency standards and fuel economy standards for automobiles and heavy-duty vehicles building



March 24, 2021

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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 to accelerate the construction of new transmission lines to get low-cost renewable energy to market, and incentivize wind, solar, and other renewable energy.”

As a tropical island State, Hawai'i is 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. We have already lost East Island during Hurricane Walaka in October 2018, which eliminated valuable habitats for the endangered Hawaiian Monk Seal, green sea turtles and nesting grounds for albatross. Rising sea levels are also eroding away low-lying islands, with several fragments of land in the Pacific vanishing in recent years. *See*, [Hawaiian island erased by powerful hurricane: 'The loss is a huge blow' | Hawaii | The Guardian](#)

This bill contains the following important elements:

(1) Creates the Clean Energy and Energy Efficiency Revolving Loan Fund within the Hawai'i Green Infrastructure Special Fund, replacing the dormant and unused building energy efficiency revolving loan fund and moving the governance of the fund to the active Hawai'i Green Infrastructure Authority (HGIA);

(2) Authorizes monies in the Green Infrastructure Special Fund to be used to finance the option to purchase solar energy systems and other clean energy equipment, including the purchase or lease of electric vehicles, expanding the potential clean energy technologies that the revolving loan fund can support;

(3) Expands the objective of the \$50,000,000 sub-fund to allow 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. 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; and



March 24, 2021

Page 3

(4) Appropriates 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).

This bill is supported by the 2018 Democratic Party of Hawai'i Platform; therefore, we urge you to pass this bill.

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

Respectfully yours,

Alan B. Burdick
Co-Chair, Environmental Caucus
Co-Chair, Natural Resources Committee
Democratic Party of Hawai'i
Email: 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

SB-932-HD-1

Submitted on: 3/23/2021 3:06:12 AM

Testimony for CPC on 3/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Pappas	Individual	Support	No

Comments:

Dear CPC Chair Johanson, CPC Vice Chair Kitagawa and CPC Committee members,

Scientists and economists have warned that the costs of climate action will rise the longer we delay (https://energyinnovation.org/wp-content/uploads/2021/01/Cost_of_Delay.pdf). Here is the introduction to "The Costs of Delay", written this year:

"The physics of Earth harbor a frightening punch line for the climate change story: Even though the consequences of climate change persist for the very long term, the time to avoid those consequences is very short. A delay — of even a decade — in reducing carbon dioxide (CO2) emissions will lock in large-scale, irreversible change. Delay also increases the risk that the whole climate system will spin out of control. If we start immediately and make steady progress, we can convert to near-zero energy sources. But if we wait even a decade, the accelerated transition will create a global economic shock.

I am in strong support of Part I of bill SB932 SD2 HD1 which creates a new green energy loan fund to help pay for the State's renewable energy projects, including transition of the State's vehicle fleet to electric vehicles (EVs) and the necessary EV charging infrastructure. It appears that the fund will serve to lower costs and speed up the massive and rapid transformation that must occur for us to avoid a climate catastrophe.

The time to act is now. Please pass this important bill (SB932) and let's get started.

Thank you for listening and for this opportunity to testify.

Sincerely,

Jan Pappas - Aiea, Hawaii