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

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Commerce and Consumer Protection
Thursday, March 24, 2022
9:30 AM
Conference Room 229 & Videoconference**

On the following measure:

SCR 242/SR 133, REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY

Chair Baker 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 supports this resolution.

The purpose of this resolution is to convene a working group to create a Hawaii Low Income Home Energy Assistance Program ("LIHEAP") to help low-income households pay for their home energy utility bills.

Low-income households spend a larger percentage of their income on home energy costs making them vulnerable to energy insecurity. The current federal LIHEAP continues to provide qualified Hawaii households with assistance to pay for their electric or gas bills, however, the number of households receiving assistance and the amount of

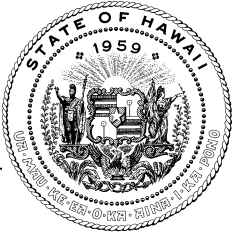
that assistance depends on the federal funds allocated to the state for the year. As highlighted in the resolution, the number of households receiving LIHEAP assistance is a small fraction of the households that are facing energy insecurity and possible service disconnection.

Importantly, the COVID pandemic has caused significant economic hardship further increasing energy insecurity for low-income as well as moderate-income households. This has resulted in a large increase in the number of households throughout the state that are now eligible for disconnection from electricity service. And while many households have received utility bill payment assistance during the COVID pandemic made possible by the federal government through programs such as the Emergency Rental Assistance Program, these programs are only temporary and, once closed, will leave more low-income and moderate-income households vulnerable to service disconnection.

The Department also observes that many of the programs meant to encourage adoption of new technologies tend to favor those households that are more affluent and have ready access to capital. While these programs and technologies help participating customers, vulnerable households do not have the same ability as other customers to take advantage of new programs and technology and could face even greater electricity bills resulting from these programs. Furthermore, since utility rates are regressive in nature, unless measures are taken, low-income customers could be left behind of the energy industry transformation and relying only on modifying rates and tariffs may not be an ideal solution. Thus, the Department understands that more work needs to be done to bring energy equity to low-income households.

The Department believes that convening a working group at this time to create a Hawaii LIHEAP as an additional source of funds for low-income households is timely and critically needed. The Department appreciates the legislature's support to find additional financial resources to assist Hawaii's low-income households in paying for their energy bills and to prevent service disconnections and their devastating impacts on families.

Thank you for the opportunity to testify on this resolution.



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 COMMERCE AND CONSUMER PROTECTION

Thursday, March 24, 2022
9:30 AM

State Capitol, Conference Room 229 & Videoconference

SUPPORT
SCR 242 / SR 133

REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY.

Chair Baker, Vice Chair Chang, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports SCR 242 / SR 133, requesting the Public Utilities Commission, in collaboration with the Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, to convene a working group to create a Hawai'i Low Income Home Energy Assistance Program (Hawai'i LIHEAP) to assist low-income households with paying for their home energy.

Energy affordability is an important objective of the activities of HSEO, ranging from reducing energy bills through energy efficiency,¹ to transforming Hawai'i's energy system to be less dependent on the unpredictable and often high costs of electricity generation from petroleum fuel, to providing individuals and organizations with information on financial assistance in the energy area.²

HSEO is also intentionally including an equity viewpoint in its office, structure, planning, programming and projects. To this end, HSEO and Hawai'i Energy partnered

¹ Hawai'i State Energy Office, "Achieving Energy Efficiency," <http://energy.hawaii.gov/energy-efficiency>

² Hawai'i State Energy Office, "Energy Financial Assistance," <http://energy.hawaii.gov/financial-resources>

with other state and county agencies, including representatives of the PUC, to establish the Energy Equity Hui, which “prioritizes ensuring clean energy solutions are provided to those who need it most...[and] assuring affordability of electricity costs.”³

This is also the second year that three full-time AmeriCorps Volunteers in Service to America (VISTA) service members are contributing to HSEO's efforts to make clean energy and clean transportation more accessible and affordable for all Hawai'i residents. The VISTAs, part of the Climate Ready Hawai'i VISTA-AmeriCorps cohort coordinated by the Hawai'i Climate Change Mitigation and Adaptation Commission, were selected for their ability and commitment to help strengthen HSEO's capacity to serve vulnerable and under-represented communities.

The points made in SCR 242 / SR 133 regarding the importance of energy affordability, especially at this time of rising electricity and fuel prices, illustrate both the importance and the urgency of the situation.

HSEO recommends including, either formally or informally, the Department of Human Services,⁴ which operates the federal LIHEAP program in Hawai'i, and the Department of Labor's Office of Community Services,⁵ which operates the federally-funded Weatherization Assistance Program (WAP). This would facilitate understanding of terms, definitions, approach, requirements, and limitations of Federal energy programs (both LIHEAP and WAP) serving low-income populations in Hawai'i, and the gap that the State-level effort would be designed to fill.

HSEO defers to the appropriate agencies for the implementation and fiscal impacts of this measure and looks forward to working together to accomplish the objectives of SCR 242 / SR 133.

Thank you for the opportunity to testify.

³ https://hawaiienergy.com/images/about/information-and-reports/annual-reports/ProgramYear2020_AnnualReport.pdf#page=10

⁴ <https://humanservices.hawaii.gov/bessd/liheap/>

⁵ <https://labor.hawaii.gov/ocs/service-programs-index/weatherization-assistance-program/>

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

TO THE
SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

March 24, 2022
9:30 a.m.

Chair Baker and Members of the Committee:

MEASURE: S.C.R. No. 242 / S.R. 133

TITLE: REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY.

POSITION:

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

COMMENTS:

The Commission supports the intent of these resolutions, which would request that the Commission, in collaboration with the Department of Commerce and Consumer Affairs’ Division of Consumer Advocacy (“Consumer Advocate”), convene a working group to create a Hawaii Low Income Home Energy Assistance Program.

The Commission recognizes that utility costs are a source of financial strain for many low-to moderate-income (LMI) customers and has prioritized cost reductions and affordability in many of its proceedings, including general rate cases, power purchase agreements for low-cost renewable energy projects, and innovative programs such as the demand response portfolio that reduces costs to customers. In addition, in overseeing the efforts of the Public Benefits Fee Administrator (“Hawaii Energy”), the Commission has

emphasized the importance of energy efficiency programs and services for hard-to-reach customers, including LMI customers.

The Commission will continue to support and develop reasonable measures that lessen the burden of energy costs on LMI customers and other customer groups, while integrating energy equity and justice throughout its work. The Commission is willing to work with the Consumer Advocate to convene a working group as described in these resolutions.

Thank you for the opportunity to testify.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION**

SCR 242/SR 133

**REQUESTING THE PUBLIC UTILITIES COMMISSION, IN COLLABORATION WITH
THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS' DIVISION OF
CONSUMER ADVOCACY, TO CONVENE A WORKING GROUP TO CREATE A
HAWAII LOW INCOME HOME ENERGY ASSISTANCE PROGRAM TO ASSIST
LOW-INCOME HOUSEHOLDS WITH PAYING FOR THEIR HOME ENERGY.**

Thursday, March 24, 2022
9:30 a.m., Agenda Item 1
State Capitol, Conference Room 229 & via Videoconference

Joanna Markle
Customer Ombudsman
Hawaiian Electric Company

Aloha Chair Baker, Vice Chair Chang and Committee Members,

My name is Joanna Markle and I am testifying on behalf of Hawaiian Electric Company in support of SCR 242/SR 133, which requests the Public Utilities Commission, in collaboration with the Consumer Advocate, to convene a working group to create a Hawaii Low Income Home Energy Assistance Program ("LIHEAP") to assist low income households with paying for their home energy.

The pandemic has resulted in significantly more customers needing assistance and Hawaiian Electric has been experiencing a higher volume of billing payment calls with higher than average bills. As of February 2022, 26% of residential customers have a payment arrangement in place. The number of customers who have been in arrears greater than 90 days has increased from pre-COVID at 6% to 32% of the total arrears balance for the Company. Our customers who have been struggling to pay their utility bills find it a challenge to meet basic needs and there is high demand for financial

assistance. Hawaiian Electric supports the effort to review the feasibility of a State LIHEAP program to further assist our customers in need. Hawaiian Electric also welcomes the opportunity to serve on the working group.

Accordingly, Hawaiian Electric supports SCR 242/SR 133. Thank you for this opportunity to testify.