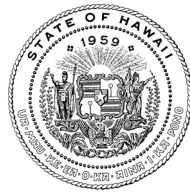


JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
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**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
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

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
ON  
HOUSE BILL NO. 949, H.D. 1

**February 15, 2023**  
**2:00 p.m.**  
**Room 329 and Videoconference**

RELATING TO RENEWABLE ENERGY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 949, H.D. 1: 1) establishes the Solar Energy Storage System Loan Program (SESSLP) and the Renewable Energy System Installation Loan Program (RESILP) to be administered by the Hawai'i Green Infrastructure Authority of the Department of Business, Economic Development and Tourism; 2) establishes the Solar Energy System Revolving Loan Fund (SESRLF); 3) appropriates an undetermined amount of general funds for FY 24 to be deposited into the SESRLF; and 4) appropriates an undetermined amount of special funds out of the SESRLF for FY 24 to issue loans as provided for by the SESSLP and RESILP.

As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving 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. 949, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining as there does not appear to be any significant source of revenues to support the SESRLF aside from appropriations from the Legislature, contributions from public or private partners, and interest earned or accrued on moneys deposited into the fund.

Finally, it should be pointed out that H.B. No. 949, H.D. 1, does not include language addressing the deposit of revenues received as repayment for principal and interest of any loans issued under either program.

Thank you for your consideration of our comments.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
KA 'OIHANA PILI KĀLEPA  
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JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO  
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA  
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

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

**Before the  
House Committee on Consumer Protection & Commerce  
Wednesday, February 15, 2023  
2:00 p.m.  
Conference Room 329**

**On the following measure:  
H.B. 949, H.D. 1, RELATING TO RENEWABLE ENERGY**

Chair Nakashima and Members of the Committee:

My name is Dean Nishina and I am the Acting Executive Director of the Department of Commerce and Consumer Affairs' (Department) Division of Consumer Advocacy. The Department supports this bill.

The purpose of this bill is to establish and appropriate funds for: (1) a solar energy storage system loan program to provide asset limited, income constrained, employed households with low-interest loans to purchase and install solar energy storage systems; and (2) a renewable energy system installation loan program to provide low- and moderate-income families with low-interest loans to purchase and install residential photovoltaic and energy storage systems, including battery storage systems.

The Department supports this bill since it would establish and provide funds that would allow low to moderate income households to take advantage of renewable energy technology and reduce their energy burden. Low to moderate income households pay a disproportionately higher percentage of their income towards energy bills and do not have

the financial means to pursue the installation of renewable energy technologies. The proposed solar energy system revolving fund would directly address the financial barrier that has prevented many struggling households from reducing their energy burden and moving towards energy independence.

The Department especially appreciates that the solar energy system revolving loan fund will be funded by the general fund and not through fees assessed on utility customers through their monthly bills. Other programs that seek funding through utility rates do not adequately consider that utility rates are regressive and will increase utility bills for all customers, especially low to moderate income households whose energy burden will only increase. Additional fees to pay for the loan fund through utility rates would further increase the energy bills that many customers have struggled to pay, especially during the pandemic and over the last year when significant bill increases occurred. As currently drafted, this measure avoids placing an additional financial burden on those households that this bill attempts to support.

Thank you for the opportunity to testify on this bill, and we respectfully ask the Committee to pass this bill.



JOSH GREEN, M.D.  
GOVERNOR

## HAWAII GREEN INFRASTRUCTURE AUTHORITY

GWEN S. YAMAMOTO LAU  
EXECUTIVE DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, Suite 501, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-3868  
Web site: gems.hawaii.gov

**Testimony of**  
**Gwen Yamamoto Lau**  
Executive Director  
**Hawaii Green Infrastructure Authority**  
before the  
**House Committee on Consumer Protection & Commerce**  
February 15, 2023, 2:00 PM  
State Capitol, Conference Room 329  
in consideration of  
**House Bill No. 949, HD1**  
**RELATING RENEWABLE TO ENERGY**

Chair Nakashima, Vice Chair Sayama and Members of the Consumer Protection & Commerce Committee:

Thank you for the opportunity to testify and provide comments on House Bill No. 949, HD1, relating to renewable energy. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this bill which establishes and appropriates funds for a program to provide low and moderate-income households with below market loans to install photovoltaic and energy storage systems.

HGIA, Hawai'i's Green Bank, works to advance the State's goals of a 100% renewable portfolio standard in energy production by leveraging innovative financing mechanisms to democratize clean energy by making financing more affordable and accessible to ratepayers previously locked out of solar. The State's efforts to achieve its clean energy goals rely on 100% of residential rooftops bearing solar, which will require an estimated \$15.0 billion in solar + storage investments over the next twenty-two years.

More importantly, with 44% of Hawai'i's families classified as asset limited, income constrained, employed ("ALICE"), our underserved ratepayers are facing disproportionate financial burdens with rising inflation and unprecedented spikes in electricity costs, straining their already tight household budgets. Based on the Federal Reserve Bank's unbanked/underbanked metric, an estimated 75,000 rooftops may not qualify for traditional financing, representing a \$3.75 billion market gap. This additional loan capital, which will allow HGIA to also finance energy storage systems, will be a game-changer helping underserved ratepayers reduce their energy burden while facilitating an equitable transition to renewable energy, and enhancing resiliency and grid stability. With the launch of Solarize808 campaigns and additional tax incentives for disadvantaged communities in the Inflation Reduction Act, this is a timely opportunity to assist our ALICE families decrease their electric utility bills with long-term savings expected over the life of the system that can be used toward necessary household expenses.

Thank you for this opportunity to testify and provide comments in support of HB 949, HD1.



**Hawaiian  
Electric**

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
CONSUMER PROTECTION & COMMERCE**

**HB 949, HD 1**

**Relating to Renewable Energy**

Wednesday, February 15, 2023

2:00 pm, Agenda Item #4

VIA VIDEOCONFERENCE

Conference Room 329

State Capitol

415 South Beretania Street

Ka'iulani Shinsato  
Director, Customer Energy Resources Programs  
Hawaiian Electric

Aloha Chair Nakashima, Vice Chair Sayama, and Committee Members,

My name is Ka'iulani Shinsato and I am testifying on behalf of Hawaiian Electric in support of HB 949, HD1.

HB949, HD1 establishes and appropriates funds for a solar energy storage system loan program to provide asset limited, income constrained, employed ("ALICE") households with low-interest loans to purchase and install solar energy storage systems. It establishes and appropriates funds for a renewable energy system installation loan program to provide low-interest loans to ALICE households for the purchase and installation of residential solar and energy storage systems.

Hawaiian Electric supports HB949, HD1. While Hawai'i already leads the nation in the adoption of customer-sited rooftop solar, the continued growth of customer energy resources, such as rooftop solar and energy storage, is critical to achieving Hawai'i's decarbonization and renewable energy goals. Thus, Hawaiian Electric is continuously seeking ways to expand access of rooftop solar and energy storage

systems to customers -- in particular, ALICE households -- in a way that is fair and sustainable to all customers. HB949, HD1 is aligned with that objective because it would provide a financing mechanism for ALICE households to have access to rooftop solar and energy storage systems. Expanding access to underserved communities will greatly enhance Hawai'i's resilience, sustainability, and equity as we decarbonize our economy and electric grids and transition to clean energy.

Thank you for this opportunity to provide testimony in support of HB 949, HD1.



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

HOUSE COMMITTEE CONSUMER PROTECTION & COMMERCE  
Wednesday, February 15, 2023 — 2:00 p.m.

**Ulupono Initiative supports HB 949 HD1, Relating to Renewable Energy.**

Dear Chair Nakashima and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono supports HB 949 HD1**, which establishes and appropriates funds for a solar energy storage system loan program to provide asset limited, income constrained, employed households with low-interest loans to purchase and install solar energy storage systems; and, establishes and appropriates funds for a renewable energy system installation loan program to provide low- and moderate-income families with low-interest loans to purchase and install residential photovoltaic and energy storage systems, including battery storage systems.

Ulupono supports the State's commitment to generate 100% of its electricity from renewable energy sources by 2045. The State should consider various innovative financing measures to support renewable energy's equitable adoption island-wide. This bill seeks to solidify that commitment by making solar and energy storage systems affordable and accessible for those in the ALICE (Asset Limited, Income Constrained, Employed) population. As solar energy is currently about one-half the cost of oil-fired electricity, this population would directly benefit from a program that helps them overcome financial challenges such as high electricity costs and inflation.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



**HB-949-HD-1**

Submitted on: 2/14/2023 12:35:16 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ted Bohlen	Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

**STRONG SUPPORT!** This bill would help make low interest loans for solar storage systems available to working families who are asset-limited income constrained employed households. This would help reduce the disparity in access to solar system savings.

Please pass this bill!

Mahalo!

Climate Protectors Hawaii (by Ted Bohlen)



To: The House Committee on Consumer Protection & Commerce (CPC)  
From: Sherry Pollack, 350Hawaii.org  
Date: Wednesday, February 15, 2023, 2:00pm

**In strong support of HB949 HD1**

Aloha Chair Nakashima, Vice Chair Sayama, and Consumer Protection & Commerce Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of HB949 HD1** that would establish and appropriate funds for a solar energy storage system loan program to provide asset limited, income constrained, employed households with low-interest loans to purchase and install solar energy storage systems. This measure further establishes and appropriates funds for a renewable energy system installation loan program to provide low- and moderate-income families with low-interest loans to purchase and install residential photovoltaic and energy storage systems, including battery storage systems.

Hawaii will not be able to reach its carbon reduction goals if we do not enact policies that support these outcomes. 350Hawaii fully supports efforts by the legislature to establish social equity as a foundational principle in the State's efforts to strengthen climate resilience. A Just Transition means leaving no one behind. That includes efforts such as HB949 HD1 that help to remove barriers and increase access to affordable renewable energy.

Mahalo for the opportunity to testify in **strong support** of this important legislation.

Sherry Pollack  
Co-Founder, 350Hawaii.org



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

**Testimony of The Hawaii Solar Energy Association (HSEA) Regarding HB949 HD1, Relating to Renewable Energy, Before the House Committee on Consumer Protection and Commerce**

**Wednesday, February 15, 2023**

Aloha Chair Nakashima, Vice Chair Sayama, and committee members:

The Hawaii Solar Energy Association (HSEA) **supports HB949 HD1**, which establishes and appropriates funds for a solar energy storage loan program and a renewable energy loan program to provide asset limited, income constrained, employed households with low-interest loans to purchase and install residential photovoltaic and energy storage systems.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the State and leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse green economy jobs that innovate, design, and build our path to a renewable energy future. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy. These investments provide resilient power that reduces energy burden for all and contributes to energy security and reliability as we decarbonize our economy and electric grid.

HSEA and its members are actively engaged in efforts to remove barriers and increase access to affordable renewable energy. This bill would create a powerful tool to extend the benefits of distributed, rooftop solar and energy storage to underserved market segments and frontline communities, and greatly enhance Hawaii's resilience, sustainability, and equity as we decarbonize our economy and transition to clean energy.

HSEA **supports HB949 HD1** and respectfully urges the committee to advance this measure.

Thank you for the opportunity to testify.

Sincerely,

***/s/ Rocky Mould***

Rocky Mould  
Executive Director

**HB-949-HD-1**

Submitted on: 2/14/2023 12:02:14 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Matthew Geyer	Individual	Support	In Person

Comments:

Mahalo for your support of this important bill which will help low income families participate in the solar revolution. Solar energy is the least expensive form of electricity available and this bill will help those who need it the most to have their electric bills to be lowered and price-stabilized. By encouraging families to get battery systems, this increases their resilience in the face of natural disasters and improves grid reliability.

Sorry to keep resubmitting this testimony, there seems to be an error in the system where it won't let me submit testimony for this hearing, so I'm trying different things.

**HB-949-HD-1**

Submitted on: 2/14/2023 2:45:29 PM

Testimony for CPC on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Noel Morin	Individual	Support	Written Testimony Only

Comments:

Dear Chair Nakashima, Vice Chair Sayama, and Committee members,

I'm in STRONG SUPPORT of HB949 HD1.

Sincerely,  
Noel Morin  
Climate, Sustainability, and Resilience Advocate  
Hilo

**HB-949-HD-1**

Submitted on: 2/13/2023 2:43:31 PM

Testimony for CPC on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

HB949 should help residents without significant financial resources participate in the de-carbonization of our society.

**HB-949-HD-1**

Submitted on: 2/14/2023 7:29:33 AM

Testimony for CPC on 2/15/2023 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

Please support HD1. Thank you.

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE  
Hearing on Feb. 15, 2023 at 2:00 pm

SUPPORTING HB 949 HD 1

My name is John Kawamoto, and I support HB 949 HD 1.

Hawaii's entire economy must decarbonize if Hawaii is to reach its goal of net-zero emissions by 2045. We are making progress in the installation of rooftop solar systems, and in many cases, rooftop solar is paired with battery storage so that electricity is available during the night.

The transition to a 100% clean, renewable energy future must be equitable. By reducing the cost burden of solar and battery storage to ALICE households, this bill will help ensure equity.