



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Thursday, February 8, 2024, 2:00 PM
State Capitol, Conference Room 329
in consideration of
House Bill No. 2685, HD1
RELATING TO ENERGY

Chair Nakashima, Vice Chair Sayama and Members of the Committee:

Thank you for the opportunity to testify on HB2685, HD1, relating to energy. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill which establishes a solar hui program in which multi-family residential property owners are able to co-invest in solar systems for low- and moderate-income (LMI) households.

This program will expand access to residential property owners that do not own their "roof," such as those living in condos, to participate in clean energy while bridging financing gaps to promote equitable clean energy benefits. In 2022, solar PV represented 17%¹ of the total electricity generated in the State of Hawai'i. Additional funding for solar is needed to achieve the State's 100% clean energy in the electricity sector by 2045.

Condominium units represent almost one-third of Hawaii's housing stock. This solar hui fund will complement HGIA's equitable energy goals by providing a venue for multi-family residential property owners to accelerate clean energy adoption by investing in a fund to lower the energy burden for low and moderate-income households by installing solar + storage systems through energy services agreements. In return, said investors can offset their energy or other household expenses through tax credit benefits and excess cash flow generated by the solar systems.

The funding structure of the solar hui program also supports local economic development, job creation and a greener environment. Thank you for this opportunity to provide comments and testify in support of HB2685, HD1.

¹ Electricrate.com, "Hawaii Solar Power Facts in 2024."



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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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
Thursday, February 8, 2024
2:00 p.m.
Conference Room 329**

**On the following measure:
H.B. 2685, H.D. 1, RELATING TO ENERGY**

Chair Nakashima and Members of the Committee:

My name is Michael Angelo, 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 purpose of this bill is to: (1) establish the solar hui program to allow multi-family residential property owners to invest into a solar hui investment fund which will provide repayment of income derived from energy services agreements to low- and moderate-income households to install solar energy systems; (2) establish the solar hui program fund manager position; and (3) appropriates funds.

The Department appreciates how the proposed §196-C(b)(1) of this bill would allow funds from the solar hui program to be used to assist low- to moderate-income households to take advantage of renewable energy technology and reduce their disproportionate energy burden. Low- to moderate-income households pay a disproportionately higher percentage of their income towards energy bills and typically do

not have the financial means to pursue the installation of renewable energy technologies. The proposed solar hui investment fund would directly address the financial barrier that has prevented many struggling households from reducing their energy cost burden and support those households in moving toward energy independence.

The Department especially appreciates that, as currently drafted, this measure appears to avoid placing an additional financial burden on low- to moderate-income households because the solar hui investment fund will be funded by the general fund and the multi-family residential property owners who choose to invest in the fund and not through fees assessed on all utility customers through their monthly bills. 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 since the pandemic when significant bill increases occurred.

Thank you for the opportunity to testify on this bill.

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 8, 2024
2:00 p.m.

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

MEASURE: H.B. No. 2685 H.D. 1
TITLE: RELATING TO ENERGY.

DESCRIPTION: Establishes the solar hui program to allow multi-family residential property owners to invest into a solar hui investment fund which will provide repayment of income derived from energy services agreements to low- and moderate-income households to install solar energy systems. Establishes the solar hui program fund manager position. Appropriates funds. Effective 7/1/3000.

POSITION:

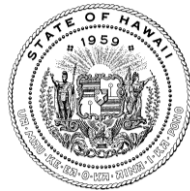
The Public Utilities Commission (“Commission”) offers the following comments for consideration.

COMMENTS:

The Commission appreciates the intent of this measure to provide multi-family residential property owners an opportunity to participate in a solar hui investment fund program to be administered by the Hawaii Green Infrastructure Authority, and which will offer low- and moderate-income households low-interest loans for solar energy system installations.

The Commission recognizes that the proposed solar hui investment fund program aligns with our state’s renewable energy and decarbonization goals, while also aiming to provide equitable opportunities for economically constrained households facing increased financial energy burden to participate in, and benefit from, Hawaii’s clean energy transition.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

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

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

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 AND COMMERCE
ON
HOUSE BILL NO. 2685, H.D. 1

February 8, 2024
2:00 p.m.
Room 329 and Videoconference

RELATING TO ENERGY

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

House Bill (H.B.) No. 2685, H.D. 1, establishes the Solar Hui Program (SHP) and Solar Hui Investment Fund (SHIF) to be administered by the Hawai'i Green Infrastructure Authority (HGIA). The SHP would allow multi-family residential property owners to invest in the SHIF and, in return, be eligible to receive any tax credit associated with the installation of a solar energy system, subject to the requirements of the tax credit, and any income derived from the repayment of an energy services agreement provided by the SHIF or from the generation of energy from an energy project under the SHP. This bill also appropriates an unspecified amount of general funds in FY 25 for HGIA to implement the SHP and to establish 1.00 position to manage the SHP.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. 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. 2685, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, as the HGIA is primarily special funded, any operating costs, including the salary of a position to administer the SHP, should be appropriated out of the HGIA special fund or the SHIF created by this measure.

Thank you for your consideration of our comments.



P.O. Box 976
Honolulu, Hawaii 96808

February 5, 2024

Honorable Mark M. Nakashima
Honorable Jackson D. Sayama
Committee on Consumer Protection and Commerce
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **HB 2685 HD1 SUPPORT**

Dear Chair Nakashima, Vice Chair Sayama and Committee Members:

CAI supports HB 2685 HD1. Per Section 1:

The solar hui program shall provide a multi-family residential property owner the opportunity to invest in the solar hui investment fund established pursuant to section 196-C. Multi-family residential property owners who invest in the solar hui investment fund under the solar hui program may be eligible to receive:

(1) Any tax credit associated with the installation of a solar energy system, subject to the requirements of the tax credit; and

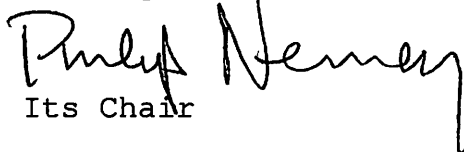
(2) Any income derived from:

(A) Repayment of an energy services agreement with the low- and moderate-income household ratepayer provided by the solar hui investment fund; or

(B) Generation of energy from an energy project entered into by the fund manager.

Creating opportunities for industry to support the goal of energy independence is welcome.

CAI Legislative Action Committee, by


Its Chair

HB-2685-HD-1

Submitted on: 2/5/2024 4:56:20 PM

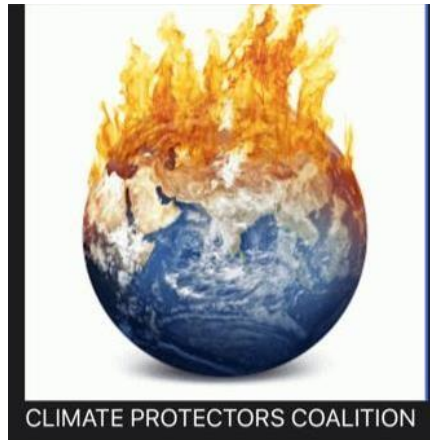
Testimony for CPC on 2/8/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch	Palehua Townhouse Association	Support	Written Testimony Only

Comments:

Our association supports HB2685. Please pass this bill.

Mike Golojuch, President



To: The Honorable Representative Mark Nakashima, Chair, the Honorable Jackson Sayama, Vice Chair, and Members of the Committee on Consumer Protection and Commerce.

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

Re: Hearing HB2685 HD1 **RELATING TO ENERGY**

Hearing: Thursday February 8, 2024 2:00 p.m.

Aloha Chair Nakashima, Vice Chair Sayama, and Members of the Committee on Consumer Protection and Commerce.

The mission of the Climate Protectors Hawai'i is to educate and engage the local community in climate change action, to help Hawai'i show the world the way back to a safe and stable climate.

The Climate Protectors Hawai'i SUPPORTS HB2685 HD1!

Hawai'i has established a target of becoming carbon negative as soon as practicable but not later than 2045. In order to reach that target, Hawaii must reduce its greenhouse gas emissions. A major way to reduce greenhouse gases is by encouraging solar power development.

This bill would establish a solar hui program that would allow multi-family residential condo property owners to invest in a solar hui investment fund to install solar energy systems on rooftops of low and moderate income households.. Multi-family low and moderate income households could save money by installing solar energy systems, but face financial barriers. This bill would help them overcome those barriers and help Hawaii reach its carbon negative target.


Please pass this bill.

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



 808-733-7060

 1259 A'ala Street, Suite 300
Honolulu, HI 96817

 808-737-4977

February 8, 2024

The Honorable Mark M. Nakashima, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Conference Room 329 & Videoconference

RE: House Bill 2685, HD1, Relating to Energy

HEARING: Thursday, February 8, 2024, at 2:00 p.m.

Aloha Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR **supports** House Bill 2685, HD1, which establishes the solar hui program to allow multi-family residential property owners to invest into a solar hui investment fund which will provide repayment of income derived from energy services agreements to low- and moderate-income households to install solar energy systems. Establishes the solar hui program fund manager position. Appropriates funds. Effective 7/1/3000.

HAR believes this is a creative solution to address our state's clean energy goals and assist homeowners. This measure supports multi-family residential property owners, such as condominium owners, who may be unable to take advantage of solar energy systems due to their building's nature, by enabling them to invest in a solar hui investment fund and qualify for benefits from the investment. In turn, the solar hui investment fund extends loans to low- and moderate-income households to install solar energy systems. By doing so, this program also aids homeowners facing financial constraints in affording a solar energy system on their own and helps to reduce their electricity costs as well.

Mahalo for the opportunity to testify on this measure.





To: The House Committee on Consumer Protection & Commerce (CPC)
From: Sherry Pollack, 350Hawaii.org
Date: Thursday, February 8, 2024, 2pm

In strong support of HB2685 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 **supports HB2685 HD1** that establishes the solar hui program to allow multi-family residential property owners to invest into a solar hui investment fund to provide loans to low- and moderate-income households to install solar energy 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, including low-interest loan programs as described in this measure. This program will enable capital constrained households to switch to lower cost, as well as cleaner sources of electricity. ALICE (Asset Limited, Income Constrained, Employed) households would directly benefit from a program that helps overcome financial challenges such as high electricity costs and inflation.

A just transition means leaving no one behind. That includes efforts such as HB2685 HD1 that help to remove barriers and increase access to affordable renewable energy.

Mahalo for the opportunity to testify in **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 HB2685 HD1, Relating to Energy,
Before the House Committee on Consumer Protection and Commerce**

Thursday, February 8, 2024

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

The Hawaii Solar Energy Association (HSEA) **supports HB2685 HD1**, which establishes a Solar Hui program which will allow multi-family property owners to invest in a fund that will use proceeds derived from energy services to invest in solar and energy storage for low-to-moderate (LMI) households.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the state of Hawaii along with 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 are innovating, designing, and building Hawaii's pathway 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.

The Solar Hui program enabled in this bill is an innovative approach to serving at least two longstanding hard-to-reach market segments for solar and energy storage in Hawaii – multi-family and LMI customers. Not only will this bill increase access to the benefits of clean and affordable solar and energy storage, but it will also be able to utilize relatively lower cost financing.

Thank you for hearing this bill and providing the opportunity to testify in **support of HB2685 HD1**.

Respectfully,

/s/ Rocky Mould

Executive Director



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 8, 2024

TO: Representative Mark M. Nakashima
Chair, Committee on Consumer Protection & Commerce

FROM: Mihoko Ito / Tiffany Yajima

RE: **H.B. 2685 HD1 – Relating to Solar Hui**
Hearing Date: Thursday, February 8, 2024 at 2:00 p.m.
Conference Room: 329

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

We submit this testimony on behalf of the Hawaii Bankers Association (HBA). HBA represents seven Hawai`i banks and one bank from the continent with branches in Hawai`i.

HBA **supports** the intent of this measure to establish the solar hui program to allow multi-family residential property owners to invest in a solar hui investment fund which will provide repayment of income derived from energy services agreements to low- and moderate-income households to install solar energy systems.

This program will allow for those living in condos to invest in and derive benefits from clean energy programs. It will also provide access to financing for low- and moderate-income households to invest in solar. This is a win-win that will help fill a gap that currently exists for those who are unable to participate in clean energy programs.

Thank you for the opportunity to submit testimony on this measure.



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

February 6, 2024

The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayana, Vice Chair
Members of the House Committee on Consumer Protection and Commerce

Hearing Date: February 8, 2024
Hearing Time: 2:00pm
Hearing Place: State Capitol, Conference Room 329

Re: HB 2685 HD1

I am Linda Nakamura, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

HB 2685 HD1 establishes a solar hui program to allow multi-family residential property owners to invest into a solar hui investment fund which will provide repayment of income derived from energy services agreements to low-and moderate-income households to install energy systems. It also establishes a solar hui program fund manager position.

The MBAH is in support of the intent of the bill.

Thank you for the opportunity to present this testimony.

Linda Nakamura
Mortgage Bankers Association of Hawaii



Testimony to the House Committee on Consumer Protection & Commerce
Thursday, February 8, 2024 at 2:00 PM
Conference Room 329

Testimony in Support of HB 2685, Relating to Energy

LATE

To: The Honorable Mark Nakashima, Chair
The Honorable Jackson Sayama, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 47 Hawaii credit unions, representing over 864,000 credit union members across the state.

HCUL is in support of HB 2685, Relating to Energy. This bill establishes the solar hui program to allow multi-family residential property owners to invest into a solar hui investment fund which will provide repayment of income derived from energy services agreements to low- and moderate-income households to install solar energy systems. Establishes the solar hui program fund manager position, and appropriates funds.

This is an innovative proposed program that would make solar energy products more accessible and affordable to Hawaii residents. Cost has largely been the main obstacle for people interested in "going green", and this program would help.

Thank you for the opportunity to provide comments on this issue.

HB-2685-HD-1

Submitted on: 2/5/2024 4:18:02 PM

Testimony for CPC on 2/8/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Onofrietti	Individual	Support	Written Testimony Only

Comments:

It is difficult for low and moderate income households to afford solar energy systems to reduce their reliance on electric utilities. Additionally, condominium unit owners are unable to benefit from solar energy systems due to the nature of their living arrangements. HB2685 allows both of these groups to participate in clean energy solutions, one as an end-user and the other as an investor. This is an innovative approach benefiting both groups and allows us to move towards Hawaii's long-term clean energy goals.

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

HB-2685-HD-1

Submitted on: 2/7/2024 11:58:46 AM

Testimony for CPC on 2/8/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sandie Wong	Individual	Support	In Person

Comments:

As a multi-family residential property owner and resident, I support this bill. This will assist the State in reaching its 100% renewable energy goal. Thank you.

LATE

HB-2685-HD-1

Submitted on: 2/7/2024 7:07:30 PM

Testimony for CPC on 2/8/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Julia C	Individual	Support	Written Testimony Only

Comments:

I support this bill because it will help to reduce electricity costs for my condo HOA in the long run.