



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, AND TOURISM
Tuesday, March 12, 2024, 1:00 PM
State Capitol, Conference Room 229
in consideration of
House Bill No. 2685, HD2
RELATING TO ENERGY

Chair DeCoite, Vice Chair Wakai and Members of the Committee:

Thank you for the opportunity to testify on HB2685, HD2, 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. We support the measure so long as it does not adversely impact priorities identified in Exec. Suppl. Budget Request for FY2025. Thank you for this opportunity to provide comments on HB2685, HD2.

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



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

Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Energy, Economic Development, and Tourism
Tuesday, March 12, 2024
1:00 p.m.
Conference Room 229**

**On the following measure:
H.B. 2685, H.D. 2, RELATING TO ENERGY**

Chair DeCoite 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) appropriate 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
SENATE COMMITTEE ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Tuesday, March 12, 2024
1:00 p.m.

Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

MEASURE: H.B. No. 2685 H.D. 2
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. (HD2)

POSITION:

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

COMMENTS:

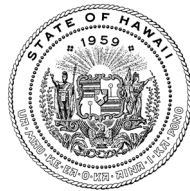
The Commission appreciates the intent of this measure to provide multi-family residential property owners an opportunity to participate in a solar hui investment fund program to be administered by the Hawaii Green Infrastructure Authority, and which will offer low- and moderate-income households energy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

The Commission recognizes that the proposed solar hui investment fund program aligns with the 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.

The Commission suggests removal of the defective date and believes this bill should become effective on passage.

Thank you for the opportunity to testify on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT 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
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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 SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT,
AND TOURISM
ON
HOUSE BILL NO. 2685, H.D. 2

March 12, 2024
1:00 p.m.
Room 229 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. 2, 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 an unspecified number of positions 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. 2, 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.



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

March 12, 2024

The Honorable Lynn DeCoite, Chair

Senate Committee on Energy, Economic Development, and Tourism
State Capitol, Conference Room 229 & Videoconference

RE: House Bill 2685, HD2, Relating to Energy

HEARING: Tuesday, March 12, 2024, at 1:00 p.m.

Aloha Chair DeCoite, Vice Chair Wakai, 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 Hawaii and its over 11,000 members. HAR **supports** House Bill 2685, HD2, 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.





SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Wednesday, March 12, 2024, 1 p.m.

Testimony in support of HB 2685 HD2

Aloha Chair DeCoite, Vice Chair Wakai, and members of the Energy, Economic Development, and Tourism Committee:

As partners of the Hawaii'i Executive Collaborative (HEC) Climate Coalition, we support HB 2685 HD2, which seeks to help democratize access to renewable solar energy and provide an opportunity for those living in condominiums to invest in Hawaii'i's clean energy future by financing solar for low-income households. This proposed Solar Hui program is a novel approach to accelerate achievement of Hawaii'i's critical climate and equity goals while enabling new opportunities for local investment.

The HEC Climate Coalition was formed in 2022 to address the systemic barriers that impede meaningful climate action in Hawai'i. Our strategy is two-fold: helping organizations work internally on climate initiatives (Climate In) while providing a platform to work collectively with others to drive systemic climate progress (Climate Out). To date, 42 organizations have signed our Climate Pledge, including businesses, nonprofits, educational institutions, all four of Hawai'i's counties and the Governor. Our Coalition plays a critical role in uniting Hawai'i's business and environmental communities under one mission: building a sustainable, resilient, and safe climate future for ourselves and our children.

Solar energy is one of Hawai'i's lowest cost resources to decarbonize our economy. While over 100,000 rooftop solar systems have been installed across the islands, reaching our renewable energy goals requires that nearly every rooftop statewide tap into the sun's free energy. That means well over 250,000 additional systems need to be deployed.

Hawai'i's Green Bank has been incredibly successful at delivering results to households across the islands—particularly those characterized as “asset limited, income constrained, employed,” or ALICE, households. Through the end of 2022, the Green Bank has served over 1000 Hawai'i households, 83% of which are considered “underserved” (some with FICO credit scores below 650). Overall, the program has helped save over a billion kilowatt-hours of electricity and avoided the generation of over 280 thousand metric tons of carbon emissions—all while creating or retaining over 1300 local jobs in the clean energy sector.

Achieving Hawai'i's 100% renewable energy goal will require that we maximize the amount of solar energy on rooftops statewide. This will likely necessitate an estimated \$15.0 billion in solar plus storage investments over the next two decades. Critically, some 44% of Hawai'i's families are classified as ALICE households. These families face disproportionate financial burdens with high inflation and record 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 financing gap.

The capital made available through this innovating Solar Hui program will allow the Green Bank to help close this gap, allowing underserved utility customers to participate in the benefits of clean energy and reducing their energy burden. Moreover, it will open new opportunities for those currently unable to directly access solar energy—those living in condos—to participate in some of the financial rewards from investing in new rooftop solar projects.

The proposed Solar Hui program in HB 2685 HD2 is exactly the type of novel approach that Hawai'i should innovate to accelerate achievement of Hawai'i's critical climate and equity goals while enabling new opportunities for local investment.

Mahalo for the opportunity to testify.

About Hawai'i Executive Collaborative

The Hawai'i Executive Collaborative (HEC) is a nonprofit organization that serves as a convener and provides backbone support to leaders from different sectors who want to help build a more resilient economy and state. HEC members believe in the power of acting collectively and focus their energies and resources on areas where immediate and systemic changes will benefit Hawai'i and the world. For more information on the HEC Climate Coalition's real-world, high-impact solutions, visit hec.org/climate.

Hawai'i Executive Collaboration Climate Coalition partners supporting this testimony:

AES Hawai'i

Alaska Airlines

Blue Planet Foundation

Bowers + Kubota

Catholic Charities Hawai'i

Chaminade University

County of Hawai'i

Hawai'i Energy

Hawai'i Executive Collaborative

Hawaii Solar Energy Association

Hawaiian Electric

'Iolani School

Kaiser Permanente

KHON2

The Nature Conservancy - Hawai'i and Palmyra

Re-Use Hawaii

School of Ocean and Earth Science and Technology, Univ. of Hawai'i

Sun Noodle

Young Brothers

Zephyr Insurance Company, Inc.

Zippy's



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 12, 2024

TO: Senator Lynnn DeCoite
Chair, Committee on Energy, Economic Development, and Tourism

FROM: Mihoko Ito / Tiffany Yajima

RE: **H.B. 2685, H.D. 2 – Relating to Energy**
Hearing Date: Tuesday, March 12, 2024 at 1:00 p.m.
Conference Room: 229

Dear Chair DeCoite, Vice Chair Wakai, and Members of the Committee on Energy, Economic Development, and Tourism:

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 H.B. 2685, H.D.2 which establishes a 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.



SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

March 12, 2024 at 1:00 PM

Conference Room 229

TESTIMONY IN SUPPORT OF HB 2685 HD2

Aloha Chair DeCoite, Vice Chair Wakai, and members of the Committee:

Blue Planet Foundation **supports HB 2685 HD2**, which establishes a Solar Hui Investment Fund to help provide residents who live in condominiums access to financing for rooftop solar. Hawai'i's residents face many challenges including a high cost of living, lack of affordable housing, and an increasingly serious climate crisis. This bill will incentivize the adoption of solar energy— helping us meet our climate goals, improve grid resiliency, and provide utility savings to low- and moderate-income homeowners and ratepayers.

The State of Hawai'i has committed to a decisive and irreversible transition away from fossil fuels. The legislature has passed aggressive carbon reduction goals, including a mandate to achieve 100% renewable electricity by 2045 (Act 97 of 2015), and a goal to be carbon-negative by 2045 (Act 15 of 2018). Setting these bold targets is important, but alone it is insufficient. Hawai'i needs equitable and implementation-focused policies, like HB 2685, if we hope to achieve our clean energy and climate goals in a way that uplifts all of Hawai'i's residents.

Hawaiian Electric's current plan for achieving Hawai'i's 100% renewable energy goal includes power generation from the rooftop of nearly every home across the islands. Over 106,000 homes on O'ahu, Maui, and Hawai'i island¹ and 6,000 homes on Kaua'i² have already installed rooftop solar. Residential rooftop solar is a proven tool to help homeowners and renters save money and reduces the need for utility investments in the power grid. When paired with batteries, rooftop solar panels can also increase resiliency in neighborhoods, helping homes keep the lights on and communication powered during a blackout.

Blue Planet supports HB 2685 to expand Hawai'i's existing solar energy loan program to multi-family households to help remove barriers to adopting clean energy solutions. By reducing imports of fossil fuel, decreasing monthly utility bills, and reducing carbon emissions, HB 2685 is a smart policy response for Hawai'i's future. Thank you for the opportunity to provide testimony in support of this measure.

¹ "Cumulative Installed PV - As of December 2023" *Hawaiian Electric Company*. Accessed January 27, 2024. (hawaiianelectric.com/documents/clean_energy_hawaii/clean_energy_facts/pv_summary_4Q_2023.pdf)

² Per KIUC testimony on SB 781 from 2023, page 12, see:

https://www.capitol.hawaii.gov/sessions/session2023/Testimony/SB781_TESTIMONY_EET-GVO_02-09-23_.PDF



To: The Senate Committee on Energy, Economic Development, and Tourism (EET)
From: Sherry Pollack, 350Hawaii.org
Date: Tuesday, March 12, 2024, 1pm

In strong support of HB2685 HD2

Aloha Chair DeCoite, Vice Chair Wakai, and members of the EET Committee,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports HB2685 HD2** 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 HD2 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 HD2, Relating to Energy,
Before the Senate Committee on Energy, Economic Development, and Tourism**

Tuesday, March 12, 2024

Dear Chair DeCoite, Vice Chair Wakai, and committee members,

The Hawaii Solar Energy Association (HSEA) **supports HB2685 HD2**, 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 solar and 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 and 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 providing the opportunity to testify in **support of HB2685 HD2**.

Respectfully,

/s/ Rocky Mould

Executive Director



Testimony to the Senate Committee on Energy, Economic Development, & Tourism
Tuesday, March 12, 2024 at 1:00 PM
Conference Room 229

Testimony in Support of HB 2685 HD1, Relating to Energy

To: The Honorable Lynn DeCoite, Chair
The Honorable Glenn Wakai, 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-2

Submitted on: 3/8/2024 5:29:23 PM

Testimony for EET on 3/12/2024 1:00:00 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 Hawai'i's long-term clean energy goals.

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

LATE

HB-2685-HD-2

Submitted on: 3/12/2024 1:29:51 AM

Testimony for EET on 3/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joshua Nalu Mori	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the Committee,

I am testifying in support of HB2685 HD2, which aims to establish the Solar Hui program to allow multi-family residential property owners to invest in a Solar Hui investment fund that will provide repayment of income derived from energy services agreements to low- and moderate-income households to install solar energy systems, establish the Holar hui program fund manager position, and allocate appropriate funds.

As Hawai'i progresses toward achieving its 100% renewable energy and decarbonization goals, Hawai'i's residents are unable to participate in this transition due to the financial burdens that restrict their decisions.

My name is Joshua Mori, and I am a current junior at Maui High School. As a resident of a multi-family residential property and considered as a part of a Low- and moderate-income household, this bill will allow property owners and families such as mine an opportunity to be a part of a clean, equitable energy transition. Despite my family's immense desire to be a part of this transition, as a growing family of five, financial restrictions inhibit us from making an investment that can reduce monthly energy costs and provide us with desirable monetary relief.

With support for this bill, struggling households across Hawai'i will be able to benefit from a reduced energy cost burden while supporting the renewable energy transition.

Thank you for allowing me to testify in strong support of HB2685 HD2.

Joshua Mori, Kahului, HI, 96732