

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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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
Senate Committee on Commerce and Consumer Protection
And
Senate Committee on Ways and Means
Tuesday, April 4, 2023
9:45 a.m.
Conference Room 211

On the following measure:

H.B. 193, H.D. 1, RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS

WRITTEN TESTIMONY ONLY

Chair Keohokalole, Chair Dela Cruz, and Members of the Committees:

My name is Dean Nishina, and I am the Acting Executive Director for 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) extend the State's energy efficiency portfolio standards from 2030 to 2045; and (2) authorize the Public Utilities Commission (Commission) to establish interim goals.

The Department supports the intent of the bill. The Department recognizes that energy efficiency can and should contribute to Hawaii's efforts to transition to clean energy and has advocated for greater efforts in pursuing energy efficiency measures, especially for low-income customers. Thus, the Department supports the intent to align

the energy efficiency portfolio standards (EEPS) target dates with the Renewable Portfolio Standards (RPS) and establishing interim goals consistent with that alignment. The Department also supports the intent to modify the energy efficiency portfolio standards and has engaged in discussions with other stakeholders in the technical advisory and working groups convened to discuss the work done by the Public Benefits Administrator and the vendor currently responsible for fulfilling the Public Benefits Administrator duties, Hawaii Energy, regarding possible changes to the portfolio standards. The Department believes that changes to the portfolio standards should be made in a holistic fashion to also consider other ongoing efforts. Otherwise, unintended consequences may result. For example, one of the most cost-effective energy efficiency measure is heating, ventilation, and air conditioning (HVAC) projects but if HVAC measures are pursued indiscriminately to pursue EEPS that do not consider efforts to integrate more renewable energy, it may result in exacerbating the already existing duck curve and make it harder to integrate more renewable energy.

In addition, another matter that is being discussed regarding energy efficiency is the ability for energy efficiency to address demand, rather than just kilowatt hours. Consistent with the point in the preceding paragraph, changing the EEPS to only achieve a higher level of kilowatt hours saved instead, of say, modifying the standards to target reducing coincident peak demand should be considered. In addition, the Commission has adopted performance incentives for the Hawaiian Electric Companies to pursue demand response programs, which could conflict with a statutory requirement at this time. Thus, the Department appreciates how the H.D. 1 version allows the technical advisory and working groups to continue the current discussions to develop informed proposals to further modify the EEPS to better meet customers' and grid needs.

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 COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION

AND

WAYS AND MEANS

April 4, 2023
9:45 a.m.

Chair Keohokalole, Chair Dela Cruz, Vice Chair Fukunaga, Vice Chair Keith-Agaran,
and Members of the Committees:

MEASURE: H.B. No. 193, HD1

TITLE: RELATING TO ENERGY EFFICIENCY PORTFOLIO STANDARDS

DESCRIPTION: Extends the State's energy-efficiency portfolio standards from 2030 to 2045. Authorizes the public utilities commission to establish interim goals. Effective 7/1/3000. (HD1).

POSITION: The Public Utilities Commission ("Commission") supports this measure and offers the following comments for consideration.

COMMENTS:

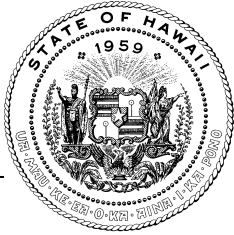
The Commission appreciates the intent of this measure to extend and further develop the energy-efficiency standard portfolio standard ("EEPS") as established in Act 155, SLH 2009, and set into law as HRS §269-96. EEPS has been a successful policy for Hawaii, serving as a critical component in support of our state's clean energy and decarbonization goals. In the near-fifteen years since establishment, the impact of the EEPS target has generated many successful energy-saving programs for Hawaii's residents and businesses, including those offered by the Commission's third-party administrator Hawaii Energy (the energy efficiency implementer for Hawaiian Electric Company's customers), as well as other implementation initiatives throughout the state. The recent Market

Potential Study (2020)¹ indicates that Hawaii is on track to meet and exceed the established 2030 target of 4,300 GWh of energy savings.

Extending the target date to 2045 would ensure continued impact of energy efficiency programming benefits, as well as aligning with our state's Renewable Energy Portfolio Standard target date. The Commission recently commenced a series of stakeholder workshops with the EEPS Technical Working Group to explore and prioritize policy objectives in consideration of the EEPS expansion initiative.

Thank you for the opportunity to testify on this measure.

¹ Applied Energy Group (2020). *State of Hawaii Market Potential Study*. <https://www.hawaiieeps.org/8-5-2020-market-potential-study-rel>



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION
AND WAYS AND MEANS**

Tuesday, April 4, 2023
9:45 AM
State Capitol, Conference Room 211 and Videoconference

In SUPPORT of
HB 193, HD1

RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS.

Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Keith-Agaran, and Members of the Committees, the Hawai'i State Energy Office (HSEO) supports HB 193, HD1, which extends the State's energy-efficiency portfolio standards (EEPS) from 2030 to 2045 and authorizes the Public Utilities Commission (PUC) to establish interim goals.

HSEO is part of the PUC's Technical Working Group of energy stakeholders that review and assess the state's progress to meeting the goals. This bill proposes that the PUC may adjust the interim goals to maximize cost-effective energy-efficiency. Aligning the dates of the standards to have the same end goal date of 2045 would be consistent with other end dates of the clean energy and carbon-negative economy by 2045.

HSEO concurs that the proposed amendments are reasonable, consistent with, and in support of existing goals and strategies.

Thank you for the opportunity to testify.



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEES ON COMMERCE AND
CONSUMER PROTECTION AND
WAYS AND MEANS**

HB 193, HD 1

Relating to Energy-Efficiency Portfolio Standards

Tuesday, April 4, 2023
9:45 am, Agenda Item #1
VIA VIDEOCONFERENCE
Conference Room 211
State Capitol
415 South Beretania Street

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

Aloha Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Keith-Agaran, and
Committee Members,

My name is Ka'iulani Shinsato and I am testifying on behalf of Hawaiian Electric
in support of HB 193, HD1.

HB193, HD1 extends the State's Energy-Efficiency Portfolio Standards ("EEPS")
from 2030 to 2045, and authorizes the Public Utilities Commission ("PUC") to establish
interim goals. Hawaiian Electric supports this measure because widespread adoption of
energy conservation and energy efficiency measures will be required to meet the
State's 2030 and 2045 decarbonization goals. More specifically, our plans show that by
2030, we will need more than 3,400 gigawatt-hours (GWh) of energy efficiency
measures implemented in homes and businesses across the islands to reduce carbon
emissions.¹ With customer participation in energy efficiency, generation, and storage,

¹ See Hawaiian Electric's Integrated Grid Planning Report at 28: [Draft Integrated Grid Plan \(hawaiipowered.com\)](https://www.hawaiipowered.com)

as a State we can benefit the environment by reducing carbon emissions by 75% by 2030 relative to 2005 levels. Extending the target date of the EEPS to 2045 would ensure continued focus on energy efficiency as a critical resource to meet our clean energy goals, and align with the 2045 target for the State's decarbonization and Renewable Portfolio Standards goals.

Hawaiian Electric is part of the PUC's Technical Working Group of energy stakeholders that review and assess the State's progress towards meeting the EEPS. Hawaiian Electric looks forward to continued collaboration with the PUC, the State's third-party Public Benefits Fee Administrator, Hawai'i Energy, and other energy stakeholders to ensure continued progress towards achievement of the EEPS.

Thank you for this opportunity to provide testimony in support of HB 193, HD1.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of The Hawaii Solar Energy Association (HSEA) Regarding HB193 HD1, Relating to Energy Efficiency Portfolio Standards, Before the Senate Committees on Commerce and Consumer Protection and Ways and Means

Tuesday, April 4, 2023

Aloha Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Keith-Agaran, and committee members:

The Hawaii Solar Energy Association (HSEA) **supports HB193 HD1**, which extends Hawaii's Energy Efficiency Portfolio Standard (EEPS) program.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the state 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. These investments provide reliable and affordable power that reduces energy cost burden for all and contributes to Hawaii's energy security as we decarbonize our economy and electric grid.

In addition to solar PV and energy storage, HSEA members manufacture, distribute, and install highly efficient solar thermal hot water systems that contribute to Hawaii's energy efficiency programs and goals. Hawaii's EEPS and other energy efficiency programs under the leadership of the Public Utilities Commission and Hawaii Energy have been highly effective in achieving their stated purpose and goals and should be extended.

Thank you for the opportunity to testify in **support of HB193 HD1**.

Respectfully,

/s/ Rocky Mould

Rocky Mould
Executive Director



Email: communications@ulupono.com

SENATE COMMITTEES ON COMMERCE & CONSUMER PROTECTION AND WAYS & MEANS
Tuesday, April 4, 2023 — 9:45 a.m.

Ulupono Initiative supports HB 193 HD1, Relating to Energy-Efficiency Portfolio Standards.

Dear Chair Keohokalole, Chair Dela Cruz, and Members of the Committees:

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 193 HD1, which extends the State's energy-efficiency portfolio standards from 2030 to 2045 and authorizes the Public Utilities Commission to establish interim goals.

Ulupono is supportive of energy efficiency measures to lower electricity consumption across the state. As Hawai'i's electricity costs are expected to rise in the near-term¹, Ulupono sees the value of measuring and tracking energy usage as a first step to reduce energy consumption, lower overall electricity costs, and eliminate energy "waste." Hawai'i's energy issues remain increasingly complex and challenging. We appreciate the State's efforts to look at policies that reduce the overall demand, which in return will result in lower utility bills, thus mitigating the high cost of living and doing business in Hawai'i.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

¹See Hawaiian Electric Newsroom, "Driven up by Russian invasion, oil prices will push electric bills higher in coming months," March 10, 2022. <https://www.hawaiianelectric.com/driven-up-by-russian-invasion-oil-prices-will-push-electric-bills-higher-in-coming-months>



Hawaii Environmental Change Agents' Decarbonization of Buildings Task Force

April 3, 2023

Position: **Support** of HB193 HD1

Aloha Chair Keohokalole, Chair Dela Cruz, and Members of the CPN or WAM Committees:

On behalf of the Hawaii Environmental Change Agents' Decarbonization of Buildings Task Force, I am submitting testimony in **strong support** of HB193 HD1. This Act will do the following:

- Extend Hawai'i's energy-efficiency portfolio standards from 2030 to 2045;
- Deliver significant cost savings to Hawaiian families and businesses by reducing their electricity demand; and
- Reduce our emissions of both local air pollutants and greenhouse gases in a low cost method.

Last, we recommend reinstating the original language that would allow demand response programs to count towards our EEPS.

Please pass this bill out of your committees.

Respectfully,

Paul Bernstein

Chair of HECA's Decarbonization of Buildings Task Force



Before the Senate Committee on Commerce and Consumer Protection
Tuesday, April 4, 2023 at 9:45 a.m.

Testimony in Support of HB193 HD1: Relating to Energy-Efficiency Portfolio Standards

Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

Thank you for the opportunity to testify in support and provide comments on House Bill 193 HD1.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency – the energy we do not use – is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

Hawai'i Energy applauds the legislature's efforts to support energy efficiency's continued impact on Hawai'i's residents and businesses as an integral component of the State's Clean Energy Initiative, which calls for Hawai'i to achieve 100% clean energy by 2045.

The bill extends the target date of the energy-efficiency portfolio standard (EEPS), as established in Act 155, SLH 2009, and set into law as HRS §269-96, to 2045, which aligns EEPS with the state's Renewable Energy Portfolio Standard target date. The bill further develops EEPS to increase its cumulative energy savings goal from 4,300 GWh by 2030 to 6,000 GWh by 2045.

Already, Hawai'i Energy, along with its partners, has been able to implement enough programs and initiatives throughout the state to generate confidence that the established EEPS goal of 4,300 GWh of energy savings by 2030 is on track. The revised goal of 6,000 GWh by 2045 set forth in HB 193 HD1 reflects that confidence, and Hawai'i Energy is well positioned to continue helping the state's utility ratepayers save electricity and money as we strive for this new target together. We look forward to continuing to work with the PUC as it explores EEPS impacts on Hawai'i's ratepayers and electrical grid through stakeholder workshops.

Given Hawai'i has the highest electricity rates in the country, energy efficiency remains a highly effective avenue to deliver significant cost savings to Hawaiian families and businesses, especially during these challenging budgetary times. We appreciate the ongoing efforts by the State Legislature to ensure that energy efficiency rightly plays a crucial role in pursuing Hawai'i's 100% clean energy future.

Thank you for the opportunity to testify in support of House Bill 193 HD1.

Sincerely,
Caroline Carl
Executive Director
Hawai'i Energy



SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

April 4, 2023, 9:45 AM

Room 211

TESTIMONY IN SUPPORT OF HB 193 HD1

Aloha Chair Keohokalole, Chair Dela Cruz, Vice Chair Fukunaga, Vice Chair Keith-Agaran, and members of the Committees:

Blue Planet Foundation **supports HB 193 HD1**, which extends Hawai'i's energy-efficiency portfolio standards from 2030 to 2045.

As Hawai'i progresses toward achieving its 100% renewable energy and carbon-negative decarbonization goals, energy efficiency remains the most cost-effective way to reduce emissions associated with electricity generation and consumption, while providing financial benefits to Hawai'i residents and businesses during the transition. In 2009, the legislature codified the goals of the Hawai'i Clean Energy Initiative, which included a goal to reduce electricity use by 4,300 gigawatt-hours by 2030. This goal—known as the Energy Efficiency Portfolio Standards (or EEPS)—has helped to maximize cost-effective energy efficiency programs and technologies in the state.

Since 2009, Hawai'i has made impressive progress towards its clean energy goals and established a new mandate to achieve 100% renewable electricity by 2045 (Act 97 of 2015). Although the renewable portfolio standard was updated in 2015, there has not been an extension of the EEPS goal beyond 2030 to align with the 2045 planning target for renewable energy. Extending the EEPS goal beyond 2030 is an important step to ensure energy efficiency is factored into future grid planning efforts. The cheapest and cleanest energy is the energy that we don't use.

Although the amendments made in HB 193 HD1 removed allowing demand response programs to count towards our EEPS, Blue Planet continues to support the integration of demand response programs into Hawai'i's energy efficiency efforts. Demand response programs can help modernize the state's energy planning efforts because the time we use energy has become increasingly important as intermittent renewable energy resources, such as wind and solar, are added to our energy mix. We look forward to continuing this important discussion with the Public Utilities Commission and other energy stakeholders.

Thank you for the opportunity to testify in support of HB 193.

info@blueplanetfoundation.org

126 Queen Street, Suite 204 • Honolulu, Hawai'i 96813 • 808-954-6161 • blueplanetfoundation.org

HB-193-HD-1

Submitted on: 4/3/2023 9:42:38 AM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Keala Dickhens	Testifying for Blue Planet	Support	Written Testimony Only

Comments:

Energy efficiency remains the quickest, cheapest, and cleanest way to reduce emissions from the electricity sector, while also providing financial benefits to Hawai'i residents and businesses.

Hawai'i has made impressive progress towards clean energy and established a new mandate to achieve 100% "Renewable Portfolio Standards" by 2045, but we have yet to extend the EEPS goal beyond 2030.

I support HB 193 HD1 to expand the energy efficiency portfolio standards from a goal of 4,300 gigawatt-hours of electricity savings by 2030 to 6,000 gigawatt-hours of electricity savings by 2045. This is an important step to align state planning across the energy sector and ensure energy efficiency is factored into Hawai'i's clean energy future.

Thank you for the opportunity to submit testimony in support of HB 193.

Keala Dickhens, Honolulu, HI 96813

HB-193-HD-1

Submitted on: 4/1/2023 5:03:06 PM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Testifying for Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

Increasing energy efficiency is often the lowest cost method to reduce our emissions both local air pollutants and GHG and thus do our part to address the climate crisis. It is also an excellent way to help the people of Hawaii save money.

Thank you for your work for a better Hawaii

HB-193-HD-1

Submitted on: 3/31/2023 6:10:29 PM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Morin	Individual	Support	Written Testimony Only

Comments:

Dear Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Keith-Agaran, and Committee members,

I'm in STRONG SUPPORT of HB193 HD1.

Sincerely,

Noel Morin

Climate, Sustainability, and Resilience Advocate

Hilo

HB-193-HD-1

Submitted on: 3/31/2023 6:16:59 PM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

Long range planning works better than short range planning. Accordingly HB139 by extending our energy planning farther into the future, will enable that planning to be more effective and to align it with our long term goals. I support HB193.

HB-193-HD-1

Submitted on: 4/2/2023 8:34:55 AM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Melissa Barker	Individual	Support	Written Testimony Only

Comments:

Honorable Members,

I respectfully ask that you support HB193-HD1 to extend our state's energy efficiency portfolio standards from 2030 to 2045.

Thank you for your attention and courtesy.

Melissa Barker

Kapaa, HI

HB-193-HD-1

Submitted on: 4/1/2023 7:45:34 PM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Brodie Lockard	Individual	Support	Written Testimony Only

Comments:

I support HB193.

HB-193-HD-1

Submitted on: 4/2/2023 1:33:48 PM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB193 HD1.

HB-193-HD-1

Submitted on: 4/2/2023 5:06:58 PM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Koster	Individual	Support	Written Testimony Only

Comments:

My family supports this bill because energy efficiency is a key part of battling climate change, we would like to lower our ludicrously high electricity rates, and affordable access to electricity will make our state more fair & equitable. Please vote yes.

HB-193-HD-1

Submitted on: 4/3/2023 7:41:40 AM

Testimony for CPN on 4/4/2023 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Forest Frizzell	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Keohokalole, Chair Dela Cruz, Vice Chair Fukunaga, Vice Chair Keith-Agaran, and members of the Committees,

I am testifying in support of HB 193 HD1, which extends the state’s energy efficiency portfolio standards beyond 2030 to 2045.

As Hawai‘i progresses toward achieving its 100% renewable energy and decarbonization goals, energy efficiency remains the quickest, cheapest, and cleanest way to reduce emissions from the electricity sector, while also providing financial benefits to Hawai‘i residents and businesses.

In 2009, Hawai‘i established a long-term goal known as the “Energy Efficiency Portfolio Standards” (or EEPS) to reduce statewide electricity use by 4,300 gigawatt-hours by 2030. Since then, Hawai‘i has made impressive progress towards clean energy and established a new mandate to achieve 100% “Renewable Portfolio Standards” by 2045, but we have yet to extend the EEPS goal beyond 2030.

I strongly support HB 193 HD1 to expand the energy efficiency portfolio standards from a goal of 4,300 gigawatt-hours of electricity savings by 2030 to 6,000 gigawatt-hours of electricity savings by 2045. This is an important step to align state planning across the energy sector and ensure energy efficiency is factored into Hawai‘i’s clean energy future.

Thank you for the opportunity to submit testimony in support of HB 193.

Forest Frizzell, Waimanalo, 96795