



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 Energy & Environmental Protection
Thursday, March 21, 2024
9:30 a.m.
Conference Room 325**

**On the following measure:
S.B. 2122, S.D. 1, RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS**

Chair Lowen 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 supports 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, and clarify procedures.

The Department believes that energy efficiency can and should play an important role in Hawaii's efforts to transition to clean energy and recognizes that energy efficiency is viewed often as the most cost-effective means to contribute to the State's clean energy goals. The cost-effectiveness of energy efficiency measures to reduce emissions was recently confirmed in a December 2023 study conducted by the Hawaii State Energy Office pursuant to Act 238, Session Laws of Hawaii 2022.¹ Accordingly, the Department

¹ Hawaii Pathways to Decarbonization (December 2023) at page 4.

supports the intent to modify the energy efficiency portfolio standards and has already engaged in discussions with other stakeholders in the technical advisory group convened to discuss the work done by the Public Benefits Administrator as well as the vendor responsible for fulfilling energy efficiency portfolio standards, Hawaii Energy, regarding possible changes to the portfolio standards. The Department is committed to continuing its work with stakeholders to help coordinate efforts regarding energy efficiency and towards policies and goals that are cost-effective as possible.

The Department views energy efficiency efforts as an important tool for cost-effectively reducing the State's need for generating resources and providing a means for individual customers to lower their energy bills. The Department believes that this bill solidifies Hawaii's commitment to energy efficiency by realigning the energy efficiency portfolio standards with the timeline for the State's renewable portfolio standards and allowing the Commission set interim standards to maximize cost-effective energy-efficiency programs and technologies to meet the State's clean energy goals.

Thank you for the opportunity to testify on this bill.

Josh Green
GOVERNOR OF HAWAII



**STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809**

**Testimony of
Leah Laramee**

Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission

**Before the House Committee on
ENERGY & ENVIRONMENTAL PROTECTION**

**Thursday, March 21, 2024
9:30 AM**

State Capitol, Via Videoconference, Conference Room 325

**In support of
SENATE Bill 2122 Senate Draft 1
RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS**

Senate Bill 2122 SD1 extends the State's energy efficiency portfolio standards from 2030 to 2045 and authorizes the Public Utilities Commission to establish interim goals and clarifies procedures. **The Hawaii Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.**

The Commission is a multi-jurisdictional effort between 20 different State and county departments, and Legislative committees. As Hawaii 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 Hawaii residents and businesses.

In 2009, Hawaii 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, Hawaii 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 to continue our progress.

Mahalo for the opportunity to testify in support of this measure.

Co-Chairs:
Chair, DLNR
Director, OPSD

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WAL
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawaii DP
Director, Kauai DP
The Adjutant General
Manager, CZM

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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT GOVERNOR



Hawaii Green Infrastructure Authority

An Agency of the State of Hawaii

JAMES KUNANE TOKIOKA
CHAIR

GWEN S YAMAMOTO LAU
EXECUTIVE DIRECTOR

Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, March 21, 2024, 9:30 AM
State Capitol, Conference Room 325
in consideration of

Senate Bill No. 2122, SD1
RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS

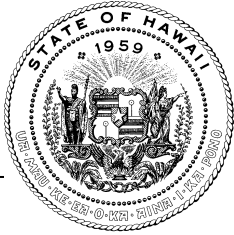
Chair Lowen, Vice Chair Cochran, and Members of the Committee:

Thank you for the opportunity to testify on SB 2122, SD1, relating to energy-efficiency portfolio standards. The Hawai'i Green Infrastructure Authority (HGIA) **supports** this bill which extends the state's energy-efficiency portfolio standards from 2030 to 2045 and updates the standards.

Achievement of the state's bold goal of achieving 100% clean energy in the electricity sector by 2045 requires strategic tactics, which includes a portfolio of tools and solutions. Similar to renewable technologies and projects (e.g., solar, wind, geothermal, etc.), the energy efficiency portfolio standard is also a critical tool towards goal achievement, which should be aligned with the 2045 clean energy deadline.

Energy efficiency measures can also reduce energy consumption in a cost-effective manner, resulting in electric utility bill savings.

Thank you for this opportunity to provide comments and testify in support of SB 2122, SD1.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, March 21, 2024
9:30 AM
State Capitol, Conference Room 325 and Videoconference

In Support of
SB 2122, SD1

RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS.

Chair Lowen, Vice Chair Cochran, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 2122, SD1, 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 by rule or order to maximize cost-effective energy-efficiency programs and technologies.

HSEO serves on the PUC's Technical Working Group of energy stakeholders that review and assess the State's progress to meeting that State's energy efficiency goals. HSEO also prepared and submitted the Hawai'i Pathways to Decarbonization Report¹ to the 2024 Hawai'i State Legislature that candidly reviews the significant challenges to meeting Hawai'i's decarbonization goals and the difficult, yet achievable, pathways to get there. There is consensus among the Technical Working Group and the Decarbonization Study that "energy efficiency and conservation are the single most important and most cost-effective measure to meaningfully reduce electricity demand, thus negating the need to develop more electricity generation." The Report therefore recommends extending and updating the EEPS.

¹ Hawaii State Energy Office. *Hawai'i Pathways to Decarbonization*. 2023. https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf

Given the critical importance of energy efficiency in Hawai'i's energy transition, extending the EEPS end goal date to 2045, to be consistent with the renewable portfolio standard and decarbonization policies, are warranted, reasonable, and advisable.

Thank you for the opportunity to testify.

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

TO THE
HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, March 21, 2024
9:30 a.m.

Chair Lowen, Vice Chair Cochran, and Members of the Committee:

MEASURE: S.B. 2122, SD1

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, and clarifies procedures. Takes effect 1/1/2060. (SD1)

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 portfolio standard (EEPS) as established in Act 155, Session Laws of Hawaii 2009, and codified 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 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 Hawai’i Energy (the energy efficiency implementer for Hawaiian Electric Company’s customers), the GEMS loan programs, Kauai Island Utility Cooperative’s energy efficiency efforts, and 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. The next Market Potential Study will occur in 2025-2026 and will provide further data and updated analyses to inform a revised target beyond 2030.

The Commission, in collaboration with the EEPS Technical Working Group and Hawai'i Energy, will continue to utilize energy efficiency programs, services, and policies to achieve the near-term 2030 target, while ensuring the long-term continued impact of programming benefits through meeting new EEPS targets for 2045, which would also align with our state's Renewable Energy Portfolio Standard target date. The Commission notes the significant importance of energy efficiency as a lowest-cost and non-emitting resource during this critical time, as is also highlighted in Hawaiian Electric's current Integrated Grid Planning process, as well as in the Hawaii State Energy Office's recently published Decarbonization Report.

The Commission suggests removal of the defective date and recommends this bill should become effective on passage or on July 1, 2024.

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>

OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Christina Kaser

Energy Coordinator, Office of Economic Development, County of Kaua'i

Before the

House Committee on Energy & Environmental Protection

March 21, 2024; 9:30 a.m.

Conference Room 325 & Via Videoconference

In consideration of

Senate Bill 2122 SD1

Relating to Energy-Efficiency Portfolio Standards

Honorable Chair Lowen, Vice Chair Cochran, and Members of the Committees:

The County of Kaua'i is in **support** of Senate Bill 2122 SD1, which extends the State's energy-efficiency portfolio standards from 2030 to 2045 and updates the standards; and which authorizes the Public Utilities Commission to establish interim goals, and clarifies procedures.

The County of Kaua'i is supportive of energy efficiency measures to both reduce our electricity consumption and allow our residents and businesses to save money on electricity bills. The impact of the existing EEPS target has been evident with KIUC's creation of successful energy-saving programs for our community.

Since 2009, Hawai'i has made substantive progress towards its clean energy goals to achieve 100% renewable energy by 2045, with KIUC having nearly reached 70% RPS in 2021. To meet our Statewide goal, it is important not to just transition our energy sources, but to also reduce our pull from the grid and overall usage. Extending the target date of our EEPS 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.

Thank you for the opportunity to testify in **support** of SB2122 SD1.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

OFFICE OF CLIMATE CHANGE SUSTAINABILITY AND RESILIENCY

KE KE'ENA LOLI ANIAU MĀLAMA 'ĀINA A ME KE OLA LOA
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 11th FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-2277 • EMAIL: resilientoahu@honolulu.gov • INTERNET: www.resilientoahu.org

RICK BLANGIARDI
MAYOR
MEIA



MATTHEW GONSER, AICP, CFM
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER
PO'O HO'OKO & KAHU OLA LOA

BENJAMIN SULLIVAN
DEPUTY DIRECTOR &
DEPUTY CHIEF RESILIENCE OFFICER
HOPE PO'O & HOPE KAHU OLA LOA

FRIDAY, MARCH 21, 2024, 9:30 A.M.

STATE OF HAWAII
SENATE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

TESTIMONY ON SENATE BILL 2122, SD1
RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS

BY,

MATTHEW GONSER
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Lowen, Vice Chair Cochran, and Members of the Committee:

The City and County of Honolulu ("City") Office of Climate Change, Sustainability and Resiliency (CCSR) **supports SB2122 SD1**, which extends the state's energy-efficiency portfolio standards from 2030 to 2045.

The City has established a Climate Action Policy to achieve 100 percent renewable energy and net-negative carbon emissions no later than 2045¹. The City's Climate Action Plan recognizes the importance that energy efficiency plays in our ability to achieve that target, as it remains the most cost-effective way to reduce emissions associated with electricity generation, while also providing financial benefits to residents².

The City continues to advance energy efficiency within our own operations through energy savings performance contracts³, as well as drive greater efficiency in the broader built environment via programs such as the Better Buildings Benchmarking

1 Revised Ordinances of Honolulu 2021. § 2-10.12 Climate action:

https://codelibrary.amlegal.com/codes/honolulu/latest/honolulu/0-0-0-50474#JD_2-10.12.

2 City and County of Honolulu. *One Climate One O'ahu* Climate Action Plan 2020-2025. Strategy 5: Reduce Energy Demand by Increasing Energy Efficiency:

<https://www.resilientoahu.org/s/2020-2025-Climate-Action-Plan.pdf>

3 City-Wide Energy Savings Performance Contract: <https://www.sustainablehonolulu.com/>.

Chair Lowen and Vice Chair Cochran
SB2122, SD1
March 21, 2024
Page 2

Program⁴. The City looks forward to continued partnership with the state to support increased energy efficiency at the household level and generating cost savings for O'ahu residents.

Extending the state's energy efficiency portfolio standards will accelerate momentum on many critical energy and cost savings initiatives and continue to guide decision-making towards achieving our 2045 targets.

Thank you for the opportunity to testify in support of SB2122 SD1.

⁴ City and County of Honolulu Better Buildings Benchmarking Program:
<https://www.resilientoahu.org/benchmarking>.

**Building Decarbonization Task Force
Hawai'i Environmental Change Agents**

HawaiiChangeAgents@gmail.com

hawaiichangeagents.org

March 17, 2024

SUPPORT FOR SB2122 SD1 – Relating to Renewable Energy

Aloha Chair Lowen, Vice Chair Cochran, and Committee Members,

The Building Decarbonization Task Force of the Hawai'i Environmental Change Agents supports SB2122 SD1, which “Extends the State's energy-efficiency portfolio standards from 2030 to 2045 and updates the standards. Authorizes the public utilities commission to adjust the 2045 and interim standards.”

Hawai'i Environmental Change Agents (HECA) consists of ten task forces; one of which is the Building Decarbonization Task Force. This task force supports SB2122 SD1 for the following reasons:

- 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. The HSEO's December 2023 Hawaii Pathways to Decarbonization study found energy efficiency measures to be cost-effective.
- As the State moves to electrify transportation, energy efficiency efforts are an important tool for cost-effectively reducing the State's need for additional generating resources to meet this growing demand.
- The recent Market Potential Study (2020) indicates that Hawaii is on track to meet and exceed the established 2030 target of 4,300 GWh of energy savings (Applied Energy Group (2020). State of Hawaii Market Potential Study. <https://www.hawaiiieps.org/8-5-2020-market-potential-study-re>). Extending the target date to 2045 would ensure continued impact of energy efficiency programming benefits, as well as aligning with our state's Renewable Portfolio Standard target date.

Thank you for this opportunity to testify.

Please support SB2122 SD1.

Mahalo,

Building Decarbonization Task Force of HECA (by Paul Bernstein)



**Hawaiian
Electric**

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION**

**SB 2122, SD1
Relating to Energy-Efficiency Portfolio Standards**

Thursday, March 21, 2024
9:30 AM
State Capitol, Conference Room 325

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

Dear Chair Lowen, Vice Chair Cochran, and Members of the Committees,

My name is Ka'iulani Shinsato and I am testifying on behalf of Hawaiian Electric in **support** of SB 2122, SD1, Relating to Energy-Efficiency Portfolio Standards.

SB 2122, SD1 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. 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, Hawaii 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 SB 2122, SD1.



Before the House Committee on Energy & Environmental Protection
Thursday, March 21, 2024 at 9:30 a.m.

Testimony in Support of SB2122 SD1: Relating to Energy-Efficiency Portfolio Standards

Chair Lowen, Vice Chair Cochran, and Members of the Committee:

Thank you for the opportunity to testify in support and provide comments on Senate Bill 2122 SD1.

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.

This 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 SB2122 SD1 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 Senate Bill 2122 SD1.

Sincerely,
Caroline Carl
Executive Director
Hawai'i Energy



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, March 21, 2024 — 9:30 a.m.

Ulupono Initiative supports SB 2122 SD1, Relating to Energy-Efficiency Portfolio Standards.

Dear Chair Lowen 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, clean transportation choices, and better management of freshwater resources.

Ulupono supports SB 2122 SD1, which extends the State's energy efficiency portfolio standards from 2030 to 2045 and authorizes the Public Utilities Commission to establish interim goals, and clarifies procedures.

Ulupono is supportive of energy efficiency measures to lower electricity consumption across the state. Notably, the Hawai'i State Energy Office recently published its Hawai'i Pathways to Decarbonization Report, which identifies, among other things, the crucial role that energy efficiency will play as one of the most important actions that can be made to reduce energy demand *before* implementing other measures such as developing new renewable generation, reducing vehicle miles traveled, converting to electric transport, and deploying carbon capture technologies.¹ As Hawai'i's electricity costs are expected to rise in the near-term², 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

¹ Hawai'i Pathways to Decarbonization Act 238, Session Laws of Hawai'i 2022, Report to the 2024 Hawai'i State Legislature December 2023. https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf

²See 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>

Investing in a Sustainable Hawai'i



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

March 21, 2024, 9:30 AM

Room 325

TESTIMONY IN SUPPORT OF SB 2122 SD1

Aloha Chair Lowen, Vice Chair Cochran, and members of the Committee:

Blue Planet Foundation **supports SB 2122 SD1**, which extends Hawai'i's energy-efficiency portfolio standards (EEPS) from 2030 to 2045 and increases the target of the EEPS from 4,300 to 6,000 gigawatt-hours.

In December 2023, the Hawai'i State Energy Office released its Statewide Decarbonization Strategy pursuant to Act 238 (2022). The report highlights how Hawai'i can achieve its statewide goals for a 50% reduction in greenhouse gas emissions by 2030 and net-negative emissions by 2045, which would align the state with global targets that scientists say we need to meet in order to avoid the worst impacts of climate change.

The 350-page report laid bare the harsh reality for Hawai'i's transition— more aggressive action must be taken in all economic sectors to meet the state's mandate to cut its carbon emissions to net-zero. Under the current "business-as-usual" scenario, which already assumes we meet our 100% clean energy goals, Hawai'i will fall short and only reach a 54% decline in economy-wide emissions by 2045.¹

Notably, the report reaffirms how critical energy efficiency and energy conservation is to achieve our decarbonization goals. As the executive summary states (on page 4):

"The results of the quantitative analysis in this report indicate and reaffirm that **demand or load reductions** resulting from **aggressive energy efficiency measures are the most cost-effective measures to reduce emissions**; with the second scenario which focused on demand reduction showing net-savings, compared to the reference scenario. While this may not be the most glamorous path forward, the results are clear – energy efficiency saves people money and provides the foundation for substantial emissions reduction potential."

¹ "Hawaii Pathways to Decarbonization", *Hawaii State Energy Office*, December 2023 (https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf).

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.

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. We strongly support this bill and encourage an extension to our EEPS goal to further our state's climate progress in an equitable and affordable way.

Thank you for the opportunity to testify in support of SB 2122 SD1.



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII

COMMITTEE REFERRAL: EEP

MARCH 21, 2024

SB 2122, SD1, RELATING TO ENERGY-EFFICIENCY PORTFOLIO STANDARDS

POSITION: SUPPORT

The Democratic Party of Hawai'i **supports** SB 2122, SD1, relating to energy-efficiency portfolio standards. Pursuant to the "Environment and Energy" section of the official Democratic Party of Hawai'i platform, the party believes "that a key part of a sustainable and self-sufficient future for Hawai'i lies in achieving energy independence through a transition to clean renewable energy sources," and supports "policy that eliminates our dependence on fossil fuels and other dirty energy sources."

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Last year, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate-induced catastrophes to our island home.

Therefore, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by extending the state's energy efficiency portfolio standards from 2030 to 2045.** Strengthening energy efficiency is vital in reducing emissions associated with electricity generation, while providing financial benefits for consumers. The Hawai'i Clean Energy Initiative sets a statewide energy efficiency goal for 2030 at 4,300 gigawatt hours and directs the Public Utilities Commission to establish interim goals for 2015, 2020, and 2025. Extending these goals will ensure that the PUC may continue improving our state's energy-efficiency portfolio standards beyond 2030.

Mahalo nui loa,

Kris Coffield
Co-Chair, Legislative Committee
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Abby Simmons
Co-Chair, Legislative Committee
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abbyalana808@gmail.com



To: The House Committee on Energy and Environmental Protection
From: Sherry Pollack, 350Hawaii.org
Date: Thursday, March 21, 2024, 9:30am

In support of SB2122 SD1

Aloha Chair Lowen, Vice Chair Cochran, and Energy and Environmental Protection 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 SB2122 SD1** which extends the State's energy efficiency portfolio standards from 2030 to 2045. This measure also authorizes the Public Utilities Commission to establish interim goals, and clarifies procedures.

It is important to extend our energy efficiency goals and ensure that the public utilities commission may continue its work developing and overseeing the State's energy-efficiency portfolio standards beyond 2030. If Hawaii is to achieve our clean energy goals, we must align state planning directed at reducing carbon emissions across the energy sector. This measure would help accomplish this.

Energy efficiency is essential in reducing fossil fuel consumption and greenhouse gas emissions. With the climate crisis we are facing, it is critical that dedicated efforts be made to lower consumption and conserve our precious resources. In addition, reducing energy use saves consumer dollars. Hawaii residents and businesses currently pay the highest electricity rates in the country. Energy efficiency is an important tool that will help reduce electricity use and save millions on customer utility bills.

Simply put, the cleanest, cheapest and safest energy is the energy we don't use.

Mahalo for the opportunity to testify on this measure.

Sherry Pollack
Co-Founder, 350Hawaii.org



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of The Hawaii Solar Energy Association (HSEA) Regarding SB2122 SD1, Relating to Energy-Efficiency Portfolio Standards, Before the House Committee on Energy and Environmental Protection

Thursday, March 21, 2024

Aloha Chair Lowen, Vice Chair Cochran, and committee members:

The Hawaii Solar Energy Association (HSEA) **supports SB2122 SD1**, which extends Hawaii's Energy Efficiency Portfolio Standard (EEPS) program in alignment with Hawaii's overall renewable energy, sustainability and resilience goals.

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.

In addition to solar PV and energy storage, HSEA members manufacture, distribute, and install highly efficient and affordable solar thermal hot water systems and other measures 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 to align with Hawaii's overall goals.

Thank you for providing the opportunity to testify in **support of SB2122 SD1**.

Respectfully,

/s/ Rocky Mould

Rocky Mould
Executive Director

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Hearing on March 21, 2024 at 9:30 am

SUPPORTING SB 2122 SD 1

My name is John Kawamoto, and I support SB 2122 SD 1.

The energy-efficiency portfolio standards law was adopted in 2009, and it has proven to be effective in reducing greenhouse gas emissions. Subsequently, in 2018, the State adopted a goal of net negative greenhouse gas emissions by 2045. The State must use all of the tools at its disposal to achieve this goal, including the energy-efficiency portfolio standards law.

This law sets a series of measurable objectives for reducing electricity use, and the last objective is for 2030. In setting a further objective, for 2045, this bill is consistent with the State's net negative emissions goal.

I urge the committee to pass this bill.