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## Testimony of the Department of Commerce and Consumer Affairs

Before the  
Senate Committee on Ways and Means  
Tuesday, February 18, 2025  
10:01 a.m.  
Conference Room 211

On the following measure:  
**S.B. 997, S.D. 1, RELATING TO ENERGY**

### **WRITTEN TESTIMONY ONLY**

Chair Dela Cruz and Members of the Committee:

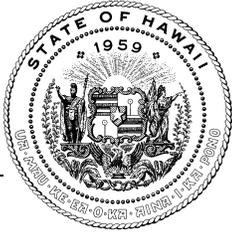
My name is Michael Angelo, and I am the Executive Director of the Department of Commerce and Consumer Affairs (Department) Division of Consumer Advocacy. The Department offers comments on this bill.

The purpose of this bill is to: (1) grant the Public Utilities Commission (Commission) the ability to authorize preferential rates for the purchase of renewable energy from facilities that meet certain prevailing wage requirements; and (2) require public utilities to forward certain requests for preferential rates to the Commission for approval.

The Department supports the intent of this measure to advocate for the State's clean energy economy by improving job quality in clean energy industries and expanding workforce training pathways into these positions. However, the Department would like to ensure that authorizing preferential rates would not adversely impact ratepayers through higher rates and increase the already substantial energy burden of electricity customers

within the State. As reported on pages one and two of the Rocky Mountain Institute's Draft memo to the Commission, "Pathways to Disconnection Reform in Hawaii" issued by the Commission on August 14, 2024, in Docket No. 2022-0250, "Hawaii had the highest average electricity rate and average electricity bill in 2022. Data indicates that a significant portion of the Hawaii population is facing an energy affordability crisis."

Thank you for the opportunity to testify on this bill.



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Testimony of  
**MARK B. GLICK, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Tuesday, February 18, 2025  
10:01 AM  
State Capitol, Conference Room 211 & Videoconference

Providing Comments on  
**SB 997, SD1**

**RELATING TO ENERGY.**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on SB 997, SD1, which would grant the Public Utilities Commission (PUC) the ability to authorize preferential rates for the purchase of renewable energy from facilities that meet certain prevailing wage requirements and requires public utilities to forward certain requests for preferential rates to the PUC for approval.

HSEO supports the original SB 997 which could help ensure workers can earn a living wage and will be motivated to pursue a long-term career in Hawai'i's utility renewable energy construction sector. HSEO believes a workforce well-trained through registered apprenticeships and motivated by living wages will keep projects moving, which keeps project costs stable and low. Under the prevailing wage approach, Hawai'i has priced utility-scale solar and battery projects at a lower cost than the residual oil powered generation it is replacing, and HSEO expects competitively priced renewable energy projects in the future.

SB 997 directed the Department of Business, Economic Development and Tourism (DBEDT) to retain the required attestation or declaration in a manner consistent with the department's record retention rules. While HSEO is not specifically

referenced to perform this function, HSEO has the capability and experience in filing records for energy efficiency and renewable energy programs and currently has the capacity to maintain the records (e.g., attestations, declarations) required by SB 997 if the measure were to pass and DBEDT were to request HSEO's assistance.

HSEO believes giving the PUC the ability to authorize preferential rates for the purchase of renewable energy from projects that meet certain prevailing wage requirements could help incentivize the use of prevailing wage labor for new renewable energy projects in Hawai'i.

As this is a regulatory issue, we defer to the appropriate agency for comment.

Thank you for the opportunity to testify

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## Testimony of the Public Utilities Commission

To the  
Senate Committee on  
Ways and Means

February 18, 2025  
10:01 a.m.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

**Measure:** S.B. No. 997, S.D. 1  
**Title:** RELATING TO RENEWABLE ENERGY.

### Position:

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

### Comments:

The Commission appreciates the intent of this measure to advance Hawaii's renewable energy goals and create a robust renewable energy workforce within the State. Nevertheless, the Commission respectfully requests the Legislature to clarify portions of the measure.

Based on the current language, the measure does not specify whether preferential rates may be authorized for renewable energy facilities that provide prevailing wages to out-of-State workers. For context, HRS § 104-1, defines "prevailing wages" as "the basic hourly rate and the cost to an employer of furnishing a laborer or mechanic with fringe benefits, including but not limited to health and welfare benefits, vacation benefits, and pension benefits, whether paid directly or indirectly to the laborer or mechanic." However, the statute does not specify within the definition of "prevailing wages" whether workers must be residents or can also be hired from out-of-State.

Second, the Commission also finds ambiguity regarding the use of the term "preferential rates." Within HRS § 269-27.3, the term "preferential rate" refers to a rate that would benefit the consumer of electricity. However, the term "preferential rate" as used in S.B. 997, S.D. 1 seems to suggest a rate that would benefit the producer of electricity.

Third, the Commission seeks clarification as to whether this measure is limited to new-build renewable energy facilities that are planning to pay prevailing wages, or if existing renewable energy facilities may also qualify.

Finally, the Commission is concerned about unintended consequences relating to the process of which a specific entity would be responsible for determining whether a request from a facility is “bona fide,” and the details surrounding the proof required by a facility to show it is paying prevailing wages. Furthermore, the Commission notes that a preferential rate as described in S.B. 997, S.D. 1 may result in a rate that is greater than the rate would have originally been negotiated with the electric utility through the current Competitive Bidding Process. This would impact ratepayers for the duration of the Power Purchase Agreement, which typically last from 20 to 25 years. As such, the act of filing “bona fide” requests to the Commission for approval without verifying if these preferential rates would be detrimental to the ratepayer may result in the development of the facility ultimately not being in the public interest.

Thank you for the opportunity to testify on this measure.



## TESTIMONY TO THE COMMITTEE ON WAYS AND MEANS

10:01 AM, FEBRUARY 18, 2025  
Conference Room 211 & Via Videoconference

### SB 997 SD1

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Hawaii Clean Power Alliance (HCPA) **supports** SB 997 SD1, which grants the Public Utilities Commission the ability to authorize preferential rates for the purchase of renewable energy from facilities that meet certain prevailing wage requirements. Requires public utilities to forward certain requests for preferential rates to the PUC for approval.

Hawaii Clean Power Alliance is a nonprofit alliance organized to advance and sustain the development of clean energy in Hawaii. Our goal is to support the state's policy goal of 100 percent renewable energy by 2045. We advocate for utility-scale renewable energy, which is critical to meeting the state's clean energy and carbon reduction goals.

HB 1182 is a vital step toward Hawaii's 100% renewable energy goal by 2045 and ensures economic equity through fair labor practices. Unlike other states, Hawaii offers no tax incentives for large-scale renewable projects, creating a disadvantage. This bill bridges that gap by incentivizing facilities that pay prevailing wages—supporting local workers and building a skilled, well-paid clean energy workforce.

Federal incentives can change, leaving Hawaii's energy future uncertain. Establishing preferential rates provides a reliable state-level tool to attract and sustain investments without straining the State budget. This approach safeguards our renewable energy progress from federal policy shifts.

By promoting prevailing wages, SB 997 SD1 aligns with Hawaii's statutory commitment to a 100% renewable portfolio by 2045 and accelerates local, equitable economic growth. The PUC's oversight and discretion ensures rates remain just, reasonable, and serve the public interest.

I respectfully ask the Committee to pass this measure.

Mahalo for the opportunity to testify.

**WRITTEN ONLY**  
TESTIMONY BY MALIA L. SHELTON  
TO THE SENATE COMMITTEES ON  
ENERGY AND INTERGOVERNMENTAL AFFAIRS  
AND  
LABOR AND TECHNOLOGY  
18 February 2025  
IN SUPPORT OF  
SENATE BILL NO. 997

Regarding the Public Utilities Commission's proposed ability to authorize preferential rates for the purchase of renewable energy from facilities that meet certain prevailing wage requirements, I would like to express my strong support.

As Hawai'i moves toward renewable energy for a more sustainable future, the pursuit of that future must also include sustainable wages and sustainable costs of living. The bill's requirement of attestation or declaration of labor standards for large-scale renewable energy projects will encourage transparency in development while providing opportunities for contractors and subcontractors in Hawai'i. In order for Hawai'i to meet the goal of 100% renewable energy by 2045, fair wages for workers on the projects are essential.

Thank you for the opportunity to testify.

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TESTIMONY TO THE COMMITTEE ON WAYS AND MEANS  
10:01 AM, FEBRUARY 18, 2025  
Conference Room 211 & Via Videoconference

**SB 997 SD1**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Ameresco **supports** SB 997 SD1, which grants the Public Utilities Commission the ability to authorize preferential rates for the purchase of renewable energy from facilities that meet certain prevailing wage requirements. Requires public utilities to forward certain requests for preferential rates to the PUC for approval.

Ameresco is a leading cleantech integrator and renewable energy asset developer, owner and operator. With 25 years of experience, we have successfully completed energy saving, renewable energy and environmentally responsible projects for commercial, industrial, Federal, State and Local government in Hawai'i, across the US, Canada and Europe. Ameresco has been a part of the Hawai'i community for the last 15 years and committed to supporting the goals of clean, reliable and affordable energy. Last year, we completed the Kūpono Solar 42 MW/168 MWh photovoltaic solar and battery storage project in 'Ewa.

We currently have three additional large-scale renewable energy projects in development on O'ahu and Maui – 99MW Pu'uloa Energy and 6 MW / 30MWh Pu'uloa Solar on Oahu and 40MW Ūkiu Energy – the success of which hinges on successful financing for these projects.

This measure clarifies that the preferential rates contemplated under the proposed Section 269- are intended to apply specifically to power purchase agreements (PPA) for renewable energy facilities that pay prevailing wages and are available to the Public Utilities Commission to consider at their discretion. By explicitly linking preferential PPA rates to prevailing wage standards, this bill promotes both the expansion of clean energy and the well-being of Hawaii's workforce.

Prevailing wage requirements help ensure that local workers receive fair, competitive wages, and encourage the growth and training of skilled local workforce thus supporting the financial stability of working families and a stronger economy.

Preferential rates serve as a critical market signal. They encourage developers to invest in high-quality renewable energy projects that meet labor standards—ensuring a just and equitable transition to cleaner power sources and align with Hawaii's clean energy goals.

Thank you for the opportunity to provide this testimony in support of SB 997 SD1.