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# A BILL FOR AN ACT

RELATING TO RESIDENTIAL ENERGY DEVICES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that up-front costs are a  
2 barrier preventing many Hawaii residents from installing  
3 renewable energy systems and replacing energy-inefficient home  
4 appliances with energy-saving alternatives. Existing tax credit  
5 and rebate programs have not been enough of an incentive to  
6 offset up-front costs, especially for public utilities customers  
7 who are renters and for owners of older homes in need of  
8 retrofitting before energy-saving devices can be installed.

9           The purpose of this Act is to require the public utilities  
10 commission to explore the possibility of providing assistance to  
11 public utilities consumers who exchange energy-inefficient  
12 refrigerators for ENERGY STAR refrigerators, exchange  
13 conventional hot water heaters for solar water heaters, install  
14 photovoltaic systems, and take other energy efficiency measures  
15 deemed to be cost-effective by the public utilities commission.  
16 This Act directs the public utilities commission to conduct a  
17 cost-benefit analysis of an on-bill financing program that would  
18 allow public utilities customers to finance purchases of energy-



1 saving appliances and renewable energy technology through  
2 on-bill financing, backed by the public benefits fee, to develop  
3 recommendations for a possible model program, and to report its  
4 findings to the legislature.

5 SECTION 2. The public utilities commission shall conduct a  
6 cost-benefit analysis of a potential on-bill financing program  
7 that would allow a residential electric utility customer to  
8 purchase:

- 9 (1) An ENERGY STAR refrigerator;
- 10 (2) A solar water heater system that meets the standards  
11 established pursuant to section 269-44;
- 12 (3) A solar energy device as defined in section 196-7; or
- 13 (4) Any other device or system that the public utilities  
14 commission designates by rule;

15 provided that the estimated life cycle electricity savings from  
16 the item or system would exceed the cost of the item or system.  
17 The program would allow a residential electric utility customer  
18 to purchase an item or a system specified in paragraphs (1)  
19 through (4) with no up-front payments by paying the cost of the  
20 item or system over time on the customer's electricity bill.

21 The public utilities commission shall determine the cost of  
22 providing for billing and payment of devices and systems through



1 a residential electric utility customer's utility bill,  
2 determine a reasonable payment schedule for items and systems  
3 purchased and a reasonable interest rate to be applied to  
4 payments, and determine reasonable penalties, which may include  
5 fines and disconnection of utility services, for nonpayment of  
6 on-bill financing costs.

7 The public utilities commission shall also consider issues  
8 such as whether rental tenants should be eligible for the  
9 program, whether an item or system installed on a property  
10 should remain a part of that property for the purposes of sale,  
11 lease, or transfer, or whether a residential electric utility  
12 customer should be permitted to remove the item or system and,  
13 if so, what provisions, if any, there should be for the  
14 residential electric utility customer to remove the item or  
15 system.

16 All costs associated with the establishment and operations  
17 of an on-bill financing program would be paid from the public  
18 benefits fee established under section 269-121.

19 SECTION 3. The public utilities commission shall submit a  
20 report of its findings and recommendations, including any  
21 proposed legislation for a model program, to the legislature no



1 later than twenty days prior to the convening of the regular  
2 session of 2012.

3 SECTION 4. This Act shall take effect on July 1, 2011.

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**Report Title:**

Energy Efficiency; Renewable Energy; Public Utilities Commission

**Description:**

Directs the public utilities commission to conduct a cost-benefit analysis of an on-bill financing program that would allow public utilities customers to finance purchases of energy-saving appliances and renewable energy technology through on-bill financing, backed by the public benefits fee, and to develop recommendations for a possible model program. (SD1)

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