Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 8, 2011, the following bill was signed into law:

HB1520 HD2 SD2 CD1 RELATING TO RENEWABLE ENERGY.
   Act 204 (11)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii
A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

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

SECTION 1. The legislature finds that up-front costs of renewable energy systems and energy efficient devices are a key barrier preventing many Hawaii residents and businesses from purchasing such systems and devices. Further, existing clean energy incentive programs inadequately serve electric utility company customers who are renters and or who lack the resources to invest in renewable energy or energy efficiency. The legislature finds that it is in the public interest to make cost-effective renewable energy and energy efficiency options more accessible to residents and businesses statewide in an equitable way.

The purpose of this Act is to direct the public utilities commission to investigate the viability of an on-bill financing program to allow electric utility company customers to finance purchases of renewable energy systems or energy efficient devices through the energy savings provided by such systems or devices.
SECTION 2. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to part VII to be appropriately designated and to read as follows:

"§269- On-bill financing for energy efficiency and renewable energy. (a) The public utilities commission shall investigate an on-bill financing program that would allow an electric utility company customer to purchase or otherwise acquire a renewable energy system or energy efficient device, as determined by the public utilities commission, by providing for billing and payment of such a system or device through an assessment on the electric utility company customer’s electricity bill.

(b) In investigating an on-bill financing program, the public utilities commission may consider:

(1) The costs and benefits associated with the establishment and administration of the program;

(2) The ability of the program to effectively provide lifecycle cost savings to participating electric utility company customers;

(3) The ability of the program to make renewable energy and energy efficiency more accessible to the rental market and other underserved markets;
(4) Methods to structure the program to ensure that any public benefits fee funds are spent cost-effectively and in compliance with applicable statutes;

(5) The use of non-ratepayer funds or private capital to provide financing for renewable energy systems or energy efficient devices acquired through the program;

(6) Reasonable penalties, which may include fines and disconnection of utility services, for nonpayment of on-bill financing costs;

(7) The ability of an electric utility company to recover costs incurred due to the program; and

(8) Other issues the public utilities commission deems appropriate.

(c) If on-bill financing is determined by the public utilities commission to be viable, the public utilities commission may implement an on-bill financing program by decision and order or by rules pursuant to chapter 91.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2011.
APPROVED this 8th day of JUL, 2011

GOVERNOR OF THE STATE OF HAWAII