

CARE Committee

From: Martin, Mahina <mahina.martin@hawaiianelectric.com>
Sent: Monday, September 13, 2021 3:48 PM
To: CARE Committee
Cc: Nicole A. Siegel
Subject: Maui County Council's Climate Action, Resilience, and Environment Committee (CARE-42) Testimony
Attachments: 2021-09-15 Maui County Council CARE Committee Testimony-HECO.pdf

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Aloha, Chair King -

Thank you very much for the opportunity to provide comments to the Council's Climate Action, Resilience, and Environment Committee's revised proposed bill, entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 16.16B.R401.2, MAUI COUNTY CODE, RELATING TO ENERGY CODE COMPLIANCE FOR LARGE RESIDENTIAL BUILDINGS," scheduled for discussion at its meeting on Wednesday, September 15, 2021. Hawaiian Electric offers the attached written testimony in response. We appreciate the request for a representative to attend and will be providing our representative's name prior to the meeting.

Best regards,

Mahina Martin
446-1826

Mahina Martin
Director, Government and Community Affairs

Hawaiian Electric
PO Box 398 / Kahului, Maui, HI 96733-6898

C: 808.446-1826
O: 808.872.3529
F: 808.872.3248
E: mahina.martin@hawaiianelectric.com



-----Original Message-----

From: CARE Committee <CARE.Committee@mauicounty.us>
Sent: Tuesday, September 7, 2021 3:57 PM
To: Martin, Mahina <mahina.martin@hawaiianelectric.com>

Cc: Nicole A. Siegel <Nicole.Siegel@mauicounty.us>

Subject: Maui County Council's Climate Action, Resilience, and Environment Committee (CARE-42) correspondence

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Ms. Martin,

Please refer to the attached Maui County Council's Climate Action, Resilience, and Environment Committee (CARE-42) correspondence. Please transmit your response to care.committee@mauicounty.us and include the relevant Committee item number in the subject line of your response.

Thank You,

Rayna Yap

CARE Committee Staff

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**Hawaiian
Electric**

**Written Testimony Before the Maui County Council's
Climate Action, Resilience, and Environment Committee**

**On a Proposed Bill for an Ordinance Amending
Section 16.16B.R401.2, Maui County Code,
Relating to Energy Code Compliance for Large Residential Buildings**

Wednesday, September 15, 2021; 9:00 am

Aloha Chair King,

Hawaiian Electric ("the Company") provides this written testimony on the proposed Bill for an Ordinance Amending Section 16.16B.R401.2, Maui County Code, Relating to Energy Code Compliance for Large Residential Buildings. The Company supports the intent behind the proposed bill in mitigating climate change and increasing energy efficiency of private dwellings. Measures such as these align with the Company's overall goals to reach higher levels of renewable energy and doing our part to mitigate the impacts of climate change. Although the Company supports the intent behind the bill, the Company offers comments on the implementation of the bill's requirements.

Achieving net zero on an individual dwelling basis actually has the potential to impede achievement of net zero as an island or State level. This is because a system designed to be net zero at a customer's home will most likely be dedicated to serving the customer's own energy needs. However, at a macro level, there may be times in the day when the utility will want to use the customer's excess solar generation or flexible load, e.g., through smart devices that manage the customer's air conditioner or water heater, in order to balance the electric grid, integrate higher amounts of renewable energy, and provide cost-effective, reliable service to all customers. In essence, this may impede a customer from participating in utility-led programs, by providing grid services for compensation to the utility for the benefit of all customers.

The bill may also hamper customer choice in that the Company is about to launch a second, expansive phase of its Community Based Renewable Energy, or shared solar, program. The shared solar program allows customers who choose not to, or cannot, put solar on their roof to subscribe in a solar project on their island and enjoy the benefits of a credit on their electric bill. It is unclear whether customers may enroll in shared solar and still satisfy the requirements of the bill.

The bill as presently drafted does not have a requirement that net zero be achieved through a renewable system. This may lead to the unintended consequence of customers investing in less expensive, fossil fueled generators to achieve the net zero requirement. An additional unintended consequence of the bill is that it may discourage the adoption of electric vehicles, which could have a bigger impact on reducing carbon emissions than requiring a home to be net zero.

In order to achieve an Energy Rating Index score of zero, the Company anticipates customers who own such dwellings will need to build large customer-sited renewable energy systems. While this is in alignment with the Company's goals, there may be situations in which the neighborhood is overly saturated with customer-sited projects and limitations may need to be put on the system in order to safely interconnect the system. For this reason, the Company respectfully requests that the bill require electric customers to conform to available customer-sited programs and interconnection requirements for their particular island or circuit.

Finally, because the Company anticipates that the bill will require customers to invest in large renewable systems with batteries, the bill will likely result in adding significant costs to the price of a home in Maui County.

Thank you for the opportunity to submit these comments.