



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**HOUSE COMMITTEES ON
ENERGY & ENVIRONMENTAL PROTECTION
AND
LABOR**

Tuesday, March 11, 2025
11:15 AM
State Capitol, Conference Room 325 and Videoconference

Providing **COMMENTS** on
SB 997, SD3

RELATING TO ENERGY.

Chairs Lowen and Sayama, Vice Chairs Perruso and Lee, and Members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 997, SD3, 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 would establish labor standards for new renewable energy projects in Hawai'i that are one megawatt or larger in capacity, 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 good wages will increase workmanship quality and keep projects moving which leads to shorter development timelines and more stabilized or lower project construction and maintenance costs. 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.

HSEO concurs with the prevailing thought that any increase to power purchase agreement pricing would be nominal given that most renewable energy projects in Hawai'i use prevailing wage labor based on and labor costs can be estimated with more certainty than other project costs subject to global markets (i.e., equipment purchasing). While HSEO is still collecting data, input from local labor organizations indicates most utility-scale projects in Hawai'i currently under development, in the process of utility procurement, or undergoing PUC review use prevailing wage labor for construction.

The original 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 was 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 PUC for comment.

Thank you for the opportunity to testify.