Meeting Agenda

Public Benefits Fee (PBF)
Technical Advisory Group (TAG) Meeting

Thursday, June 12, 2025
9:30 a.m. to 12:00 p.m. (HST)
Hawai‘i Energy offices at 45 N. King Street, Suite 500, Honolulu
Virtual option via Teams

9:30 – Commission Welcome

9:35 - Agenda

- Attendees (16 in person and 18 virtual) were welcomed.
- The Energy Efficiency Manager (EEM) provided an overview of the meeting agenda and objectives. Each attendee introduced themselves by name and organization.

9:40 – PY25-PY27 PBFA Triennial Plan

- Review Program Pillars
    - There are a lot of pieces to our work, and our triennial plan covers some of it, but I want to highlight where we see the Hawaii Energy execution really coming in
- PY22-24 Overall Performance – External Drivers and Major Milestones
    - Looking backwards in order to look forward
    - Maui wildfires; geopolitical factors, federal code changes
    - We tried new things – in PY22, it was the lowest savings the program has achieved
    - PY23 and 24 we have been bouncing back – we have momentum across program areas
- Clean Energy Technologies
    - We are tracked on performance metrics across different areas
    - What we are doing in the area of lifetime savings – in each of these years there were bright spots, particularly in the business areas
    - This year we’re looking to land quite strongly on our peak demand reduction
    - Not reaching targets on all areas
- Clean Energy Technologies – Subtargets
    - Also tracking about 26 subtargets
    - Even though total savings was behind, they met targets across residential program years and into forecasts for current program year (and triennial)

- Accessibility and Affordability
    - Subtargets must achieve 100% -- you'll see where we fall short in A&A
    - Business customers reached: we've seen decline in small businesses reached, adjusting strategy in this area
    - Miss on target for island equity relating to Maui Wildfires
- Market Transformation and Economic Development
    - This is the area of customers reached, education given, trainings, etc.
    - Forecasting a little short for technical training for PY24, but we have quite a few training events in the next few weeks
    - In coordination with some other agencies, we're hoping to pass that threshold
- Bright Spots and Challenges
    - Hundreds of customer site visits
    - Built out clean energy ally base substantially – almost 500 trade allies
    - A lot of retirements and staffing issues for them and for customers related to Covid
    - Cost of capital increases and supply chain issues
- PY25-27 Triennial Plan Overview
    - CET 64%, A&A 28%, Market Transformation 7%
    - 74% of the budget is going to direct incentives. 56% of funding toward business, 44% toward residential sector
    - From program administrator cost test, the portfolio delivers $4.76 for every dollar spent
- Program Energy Savings
    - No longer attribution from previous advocacy work for codes and standards changes
    - About 70% of the savings is coming from the business sector
    - About 30% of the budget to A&A, while savings attributed to that area is under 20%. That's harder work to do, and it's more costly
- Explanation of Shifts
    - HVAC is really taking over as main area of energy savings on both residential and commercial
- Commercial Portfolio
    - Codes and standards is the credit Hawai'i Energy receives from the support they provided to enact the state's lighting for fluorescent ban
- Data Enhancements
    - AMI data will help give more load profile characteristics
    - Most of the data they have is publicly available – HECO provides monthly billing data
    - Analyze energy burdens and come up with zip code methodology via Hawaii Statewide GIS program and US Census data

- In collaboration with HECO data team to see how they can help one another out

    - *Question: Can you explain what CET and MT means?*
        - *Response: CET or Clean Energy Technologies, are programs that pay direct incentives and is focused on rebates and technical assistance to drive customer energy savings right now. MT is Market Transformation and encompasses trainings, professional development and workshops. MT works to increase education and awareness to support savings in the future.*
    - *Question: I would suggest DBEDT data. They have a lot especially when it comes to businesses. It's probably more user-friendly*
        - *Response: Agreed. DEBDT is a data source we use regularly.*
    - *Question: Is this an ongoing review and analysis that you're doing, or is this periodic?*
        - *Response: It's ongoing. We are data consumers and we are always trying to get data. This type of data analysis helps us to see blind spots and opportunities. It's an active process because customer account close, open and change*
- *Question: The slide with "Insights for Program Design" Heading is a cool slide, what was your source?*
    - *Response: Mostly based off HECO data and our internal data on customer engagement.*
- *Question: When you say 30% of water/wastewater (W/WW) accounts have participated. What do you mean?*
    - *Response: We use Google API to tag it as W/WW and we have a team member who uses it as a target list. We try to knock everyone off the list.*
- *Question: Those who have participated, are they larger W/WW who have seen the value?*
    - *Response: Yes.*
- *Question: The smaller W/WW are more difficult but they usually have operators in Hawai'i Rural Water Association. Have you worked with them?*
    - *Response: Yes, we are active with HRWA and CWRM audits. What we found with Maui outreach is that there is limited staffing, there's no time for efficiency projects. For program design, we have to figure out what works. Leak detection has been successful - large savings with low effort. We've given them out and let W/WW staff put them in themselves. Rural water agency too.*
- *Question: Are military and tourism depicted* here?

- *Response: Yes, there are two tiers of tagging. If there's an office in military, it's shown as an office. HECO data is per account. It's not some aggregation we do, but we tag is as office building.*
- *Response: Resorts are our largest engagement. Can look at sector too and the business team is organized by sector. Our approach tries to align with HECO approach though not one to one. Regular meetings to ensure lead generation/co-project generation. We developed a Salesforce tool for tracking leads between Hawai'i Energy and HECO team rather than relying on phone calls.*

- People Enhancements
  - Business advisor teams are organized into sectors
  - Lead generation tool allows them to track leads back and forth between teams – HECO Commercial Client Managers
  - With Clean Energy Allies, success really looks like them integrating the rebates into their business models and sales. It's not necessarily their first priority, so we have to help them realize how easy it is
  - As it relates to government buildings and assets, there's been a challenge with who is managing the buildings etc., so success has looked at who is doing audits, benchmarking, and targeting upgrades. Being in the know about what is on the horizon is a key part of the strategy and ongoing enhancements
- Process Enhancements: Commercial + Industrial
  - Doubling down on technical assistance – moving away from lighting, which was easier
  - Taking a more holistic approach, having people on the ground doing walkthroughs, providing follow ups, communicating in simple and accessible language
  - Custom projects are more complex – a lot of different pieces. They're trying to compartmentalize and break down the project arc and scope
  - Building out a lending library with meters to help measure the baseline

    - *Question: Could you explain the UH program? Is that 42% increase in savings?*
      - *Response: Yes, that's 43% savings. UH is a great example of a long-term partner.*

- Proposed Enhancements: Residential
  - Navigating federal changes with a lot of other national entities – One of our team members is at a conference in Boston talking about how we navigate these uncertainties as an industry
  - Ensuring retail signage is as accessible as possible

    - Whole-home approach
- Energy Optimization
    - Military households really picking up water heaters which is interesting because it's technically a commercial account

        - *Question: For the large hotels that already have demand response capable systems, has HECO had any conversations with them about voluntary DR in emergency situations - similar to the understanding HECO has with Board of Water Supply?*
            - *Response: This has been an ongoing discussion with us. We want to support energy efficiency technologies that feed into emergency DR. The HECO team has been evaluating hotel DR technologies to see what the opportunity may be, especially those in fast DR. But the challenge we have heard from customers is the compensation structure. When you make them turn off equipment then ramp back up, the demand ratchet is too punitive to make them embrace emergency DR. Too much risk if things don't come back online the way they need them to.*
            - *Response: Don't think we've done any voluntary DR. There's already an emergency incentive that is paid to them, but voluntary has not been something we've explored with the hotels. We can take that back to DR team.*
        - *Question: Who pays the emergency incentive?*
            - *Response: HECO pays directly. There are some specific characteristics: must have 50 kW capacity and commit to specific events depending on level of technology you have. But they have to determine whether the incentive structure is sufficient and risks low enough.*
        - *Question: We heard yesterday from HSEO about their appliance program. Can you tell us about coordination with HSEO?*
            - *Response: We've been in close coordination with HSEO team. There is a lot of overlap with the technologies. Heat pump water heaters and heat pump air conditioning are all Hawai'i Energy offerings. Our main focus is ensuring that we support the HSEO as they develop their blueprints and working with contractors so everyone is aware of the two programs, who they can work in tandem, and avoid confusion. Let them know how they can stack incentives. There are opportunities for coordination but also potential for cannibalization. There is a small contractor base and small target population so we will make sure there is clear communication. HSEO will also have a call center and we have a call center so we will make sure those messages are aligned.*

- Accessibility and Affordability
    - Key Challenges
    - CEA Engagement

- Market Transformation Advocacy Shift
    - HSEO has been putting effort into advancing building codes and standards
    - Marketing and Communications
        - Is the backbone of supporting the operational priorities
        - Team has been really successful in a lot of different mediums, in influencing key decisionmakers

            - *Question: What's a CEA?*
                - *Response: A Clean Energy Ally. Our network of trade allies who are advocates for energy efficiency. Contractors, architects, engineering firms, etc.*
            - *Question: Do you get to participate in industry conferences where you introduce these benefits and things like that?*
                - *Response: Yes, that's a main area to make inroads conversationally etc. through informational booths, speaking engagements, etc. A lot of our staff are also members of trade organizations etc. On the education side of things, working with community colleges.*
            - *Question: I have some I have some background in the tourism industry – HTA has an annual conference, it might be neat if there was a training attached to it for hotel industry folks.*
                - *Response: We've had tremendous success with HLTA, in coordination with HECO often at the quarterly engineering breakfasts. It's really about ensuring that team members are recognized and trusted – even following up on projects.*

- EV Charging Program
    - Outside of PBF funding mechanism
    - Navigating vagueness of laws and trying to help inform implementers
    - Project costs are self-reported
    - $4,530 median project – on average rebate covers 41% of project costs

            - *Question: Which project was $83,387?*
                - *Response: That was a government project.*
            - *Question: Why so expensive?*
                - *Response: In one case, they had to do an archeological study. Sometimes other upgrades are required. Things like that can add to the project cost.*
            - *Question: Were these residential or office?*

- *Response: This is everything, but for residential, we mean communal stalls only. Program rules don't allow residential or personal stalls.*

- *Question: How are they distributed between the islands?*
  - *Response: Most rebates go to Oahu. Maui is second.*
- *Question: There seems to be inefficiency in terms of DC fast chargers - they are more expensive to install. Why is that?*
  - *Response: The legislation sets the amount of rebate for level 2 and DC fast chargers. By design, we have an amount we can pay out: $35K versus $4K, regardless of the cost. The rebate value is set in legislation, but now that the program is maturing and we have more data, it may make more sense to have the HPUC set the amount.*
- *Question: Transportation is a supply chain - to get you from one place to the next. In terms of your efforts, there is the opportunity if a community is interested in a charger, they can approach Hawai'i Energy. Do you get an opportunity to be more targeted and approach communities with good potential? Lots of people travel between Hilo and Kona. Can you target certain areas to help build the infrastructure? This ties to accessibility.*
  - *Response: We can't prioritize one site over another due to the way the legislation is written. Where we have been successful is the partnership. As it relates to targeting or earmarking funds for a certain area, we haven't done that. HECO EoT (Electrification of Transportation) team - Charge up Commercial - it's now filled though. We've been doing a lot of join presentations. That's a lot of application-generation but not targeting. A lot that can be done. Challenge is that if it doesn't happen, are you able to reallocation those funds to another area that can get them installed?*
- *Question: Also if there is infrastructure to support it in those areas?*
  - *Response: The ideal location is likely rural and they don't have capacity. The upgrades associated with that are great.*
- *Question: In some areas, are there a lot of upgrade costs associated with newer neighborhood close to rural areas that don't have EV charging.*
  - *Response: Some communities have EV ready spaces installed. Some local ordinances require it.*
  - *Response: We don't have the data that shows these locations so that's something we can explore.*

- *Question: After rebates are given, is there any follow-up to ensure that chargers that received rebates are maintained and operational (particularly for chargers accessible to the public)? Additionally, do the chargers receiving these funds have limits on how much they can charge users? I am starting to see charging costs as much as $.70/kWh in the middle of the day, which I find unreasonable, especially if they got public funding. Are there any other requirements for installers receiving these rebates?*
  - *Response: Important to note that the administrative funds are limited and targeted to distribution of funds. We do verification of installations but there aren't available funds for ongoing verification. Do know that HECO has public data input. In terms of contractual agreement between business and service provider, that is outside of our scope.*
  - *Response: That would be difficult to administer. You can't regulate those customer pricing contracts.*
- *Question: How many DC fast charges are HECO chargers?*
  - *Response: Only three, but they just submitted applications for another six. They are upgrading or replacing many chargers. They have about 30 across the state.*
- *Question: For other state administrators of EV charger rebates, what is the average T&M as percent of total budget? How does Hawaii Energy's T&M percentage for the EVCS Rebate Program compare?*
  - *Response: Don't have any data that compares to other state-run programs. As a comparison, for PBF, it's a 70/30 split.*
- *Question: What was your experience like working with the affordable housing properties? Were they new or existing properties? Any lessons learned?*
  - *Response: We have had a kicker for affordable housing and we worked with Ulupono to provide an A&A kicker for Kauai. Feedback that we received is that there is a push to not have as much parking in these complex, instead being multimodal.*

11:50am: Wrap Up: Triennial Schedule & EM&V Update

- The deadline for submitting comments on the Hawai'i Energy Triennial Plan is June 23, 2025
- The PY23 verification and TRM updates for PY24 mid-year and PY25 are underway. We will report out on these in the October TAG

12:00pm: Adjourn