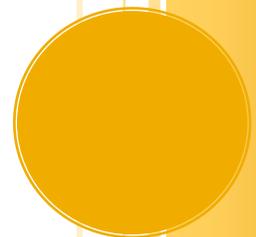


# HAWAII ENERGY JUSTICE SNAPSHOT



National Association for the Advancement of Colored People,  
Environmental and Climate Justice Program

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# HAWAII ENERGY JUSTICE SNAPSHOT

## SUMMARY

Access to clean energy is not just an environmental issue, but also a civil right. Communities of color bear a disproportionate share of the burdens of a fossil fuel based energy economy. This is why the NAACP Environmental and Climate Justice Program stands for just energy policies that will help protect our communities from harmful energy production processes and provide equitable access to the clean energy economy.

With the most expensive energy rates in the country and a heavy reliance on fossil fuel imports, Hawaii has much to gain from a just transition to clean, renewable, and locally controlled energy systems. With electricity demand rates among the lowest in the nation, both in total amount consumed and per capita consumption, the people of Hawaii need not be burdened by such an expensive and environmentally destructive energy system.

This Snapshot profiles Hawaii's energy portfolio, evaluates key state energy policies, documents state utility disconnection policies, and outlines opportunities in the clean energy economy. The State of Hawaii has set some of the most ambitious renewable energy goals in the country, aspiring to 100% renewable energy use by 2045. With this in mind, it is critically important that NAACP leaders actively engage in this process to ensure that the community's needs are at the core of this energy transition. This snapshot provides information that will inform NAACP members on avenues for engagement.



## STATE ENERGY PROFILES

While Hawaii currently relies predominantly on imported fossil fuels to supply its energy needs, the state has widespread renewable energy generating potential. Therefore, a just transition to a locally generated renewable energy economy will benefit the environment and strengthen the economy.

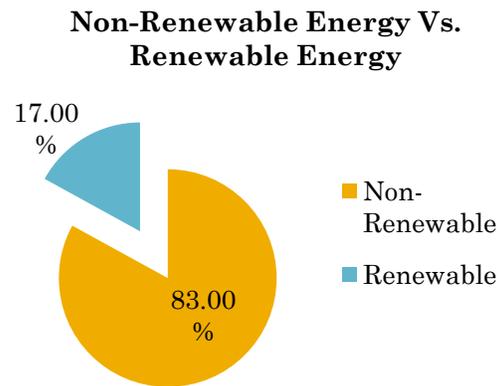
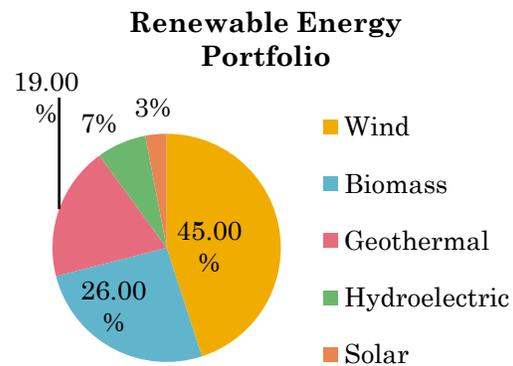
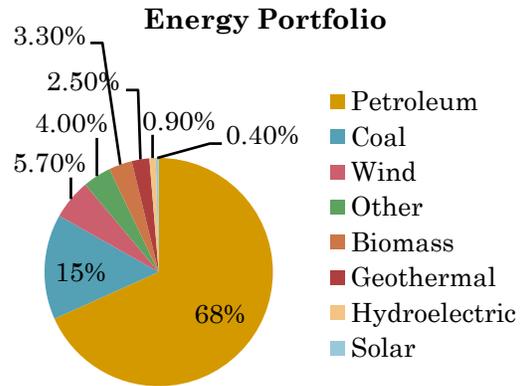
This section presents an overview of Hawaii's current energy portfolio and highlight key state energy policies. Although Hawaii has one of the dirtiest energy economies in the country, this section focuses on potential clean energy infrastructure and policy solutions.

## Energy Portfolio

Hawaii is the most petroleum-dependent state in the nation, even though state does not produce petroleum or have any proven petroleum reserves. Hawaii imports a range of petroleum products and has **two crude oil refineries** that are both located in the Honolulu port area on Oahu. Hawaii has **one coal-fired power plant**, also located on Oahu. Emissions from coal-fired power plants produce negative health and environmental effects.

Hawaii has significant renewable energy potential. In 2015 **solar** energy become the state's largest source of renewable electricity, providing 35% of renewable generation. In 2015 Hawaii generated more solar electricity per capita from distributed generation than any other state. Hawaii has six commercial **wind farms** located on Oahu, Maui, and the Big Island. Recent proposals support the expansion of **offshore wind power** development in federal waters near the Oahu coastline.

Hawaii is one of seven states with **utility-scale geothermal power production**. The state's single geothermal generating plant is located on the Kilauea Volcano on the Big Island and supplied nearly a quarter of that island's electricity in 2015. Researchers are developing **wave energy technologies** and other small-scale hydropower projects. Hawaii has long used **biomass**, mainly agricultural waste, to generate electricity in rural Hawaii. In Oahu, the H-POWER plant provides nearly 10% of the island's electricity from municipal waste.<sup>1</sup>



Figures 1-3: <http://spotforcleanenergy.org/state/hawaii/>

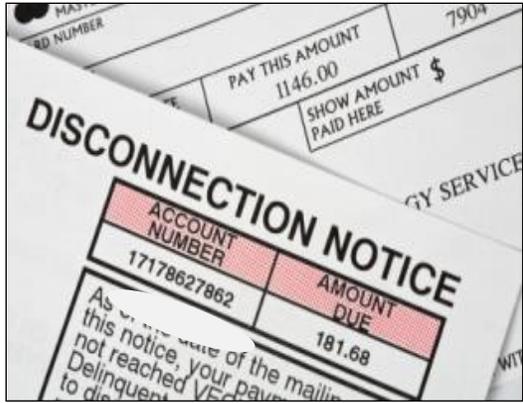
For more detailed information and data on Hawaii's energy portfolio visit the U.S. Energy Information Administration's webpage,

<http://www.eia.gov/state/?sid=HI>

## State Energy Policies<sup>ii</sup>

Policy Type	NAACP Recommended Policy Standards	Hawaii Policy Details
<b>Net Metering</b>	<p>Net Metering Standards require utility companies to provide retail credit for new renewable energy produced by a consumer.</p> <p><b>Capacity Limit Recommendation:</b> 2,000 kW (minimally), per system</p> <p><b>Mandatory/Voluntary:</b> Mandatory</p>	<p>On 10/12/2015 the Hawaii PUC <b>ended net metering</b> and replaced it with two new tariffs alternative options: a grid supply option and a self-supply option.</p> <p><i>See page 5 for more information.</i></p>
<b>Renewable Portfolio Standard (RPS)</b>	<p>A RPS requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources.</p> <p><b>Recommended Standard:</b> Minimally 25% renewable by 2025</p> <p><b>Mandatory/Voluntary:</b> Mandatory</p> <p><b>Allowable Sources:</b> Wind, solar, geothermal, ocean/wave energy</p>	<p>Hawaii is the only state in the nation with a 100% renewable portfolio standard:</p> <ul style="list-style-type: none"> <li>• 30% renewable energy by 2020</li> <li>• 40% renewable energy by 2030</li> <li>• 70% renewable energy by 2040</li> <li>• 100% renewable energy by 2045.</li> </ul>
<b>Energy Efficiency Resource Standard (EERS)</b>	<p>A EERS establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency program.</p> <p><b>Recommended Standard:</b> Minimally 2% annual reduction of each previous year's retail electricity sales.</p> <p><b>Mandatory/Voluntary:</b> Mandatory</p>	<p>The Hawaii EERS mandates cumulative electricity savings of 4,300 GWh by 2030, which is equal to an <b>approximately 1.4% annual savings</b>.</p>
<b>Local Hire Provision</b>	<ul style="list-style-type: none"> <li>• Extra renewable energy credit multipliers for in-state installation and in-state manufactured content</li> <li>• Renewable energy credits for utility providing incentives to build a plant in-state</li> <li>• Renewable energy credit for utility that makes an investment in a plant located in-state</li> <li>• Quota for government assisted construction project employers to hire a percentage of workers locally</li> <li>• Bidding Preferences for companies that hire a percentage of their employees in-state for state-funded public works projects and service contracts</li> </ul>	<p><b>Hawaii lacks a local hire provision.</b> Establishing a local hire provision that encompasses energy projects would significantly increase the amount of tax dollars that Hawaii reinvests into the local economy and will provide local jobs to enable people to work near where they live.</p>
<b>Disadvantaged Business Enterprise</b>	<ul style="list-style-type: none"> <li>• Provide training opportunities</li> <li>• Notify DBEs of state business opportunities</li> <li>• Set-aside funds for DBEs</li> </ul>	<p>Hawaii DOT certifies DBEs for federally assisted transportation contracts. Hawaii must expand an improved DBE model to encompass all sectors, including its energy industry.</p>

Utility Disconnection Policies <sup>iii</sup>	
<b>Notice</b>	Written notices must be provided a reasonable amount of time before scheduled disconnection.
<b>Date Based Protection</b>	None
<b>Temp Based Protection</b>	None
<b>Payment Plan</b>	Not available; customers are required to pay the bill, even if they are protesting the charge or scheduled disconnection in order to avoid disconnection.
<b>Reconnection Fee</b>	No
<b>Disconnection Limitations</b>	Disconnections may only occur during utility business hours and disconnections are not permitted on weekends or on legal holidays.
<b>Other Protections</b>	Utility must provide special consideration in disconnecting service to customers 62 years of age or older and customers with disabilities.
<i>Utility shut-offs have a disproportionate impact on low-income and African American communities. Check out the <a href="#">NAACP report</a>, "Lights Out in the Cold" for more information.</i>	



Access to electricity is not a luxury, it's a necessity. **Folks should not be forced to choose between paying for medications or their energy bill.** Public officials have implemented some policies that protect consumers from the life-threatening practice of utility disconnection, however, energy justice advocates must continue to hold utility companies and regulators accountable to human rights and basic but life-saving protections. Utility customers with limited income are at a higher risk of having their utilities disconnected due to nonpayment. This is due, in part, to the nature of utility payments. Utility costs often make up a larger portion of expenses for households with limited extra income.

**Action step:** Pressure the Hawaii Public Utilities Commission to:

1. Establish clearly defined notification procedures
2. Allow partial payment plans to customers to prevent disconnections
3. Proscribe simple procedures for socially vulnerable groups and be registered for protection from disconnection

## Hot Topic: Net Metering

Net metering policies allow families, businesses, or small groups to receive credit for energy they contribute to the grid through distributed energy generation such as rooftop solar. Customers produce their own energy through distributed generation and send excess energy back to the grid. The customer receives a one-for-one credit on their utility bill for excess electricity produced by their system. Net metering policy incentivizes investment in distributed generation, producing cost savings and expanding access to renewable energy.

In 2015 the Hawaii PUC voted to end net metering. Now, new customers who generate their own distributed energy will choose between two new tariffs:

1. The grid-supply option is structured the same as the old net metering arrangement, except it cuts the rate that customers are paid for any energy exported to the grid, diminishing the accessibility of distributed generation in the process.
2. The self-supply option does not allow customers to export any power back to the grid, except very limited amounts in short durations.<sup>iv</sup>

Neither option is as favorable as the current net metering policy. Customers will not be compensated for any energy supplied to the grid and will also be subject to an expedited interconnection fee. Although the previous net metering standards were imperfect, the PUC's corrections are to the detriment of the distributed solar market.

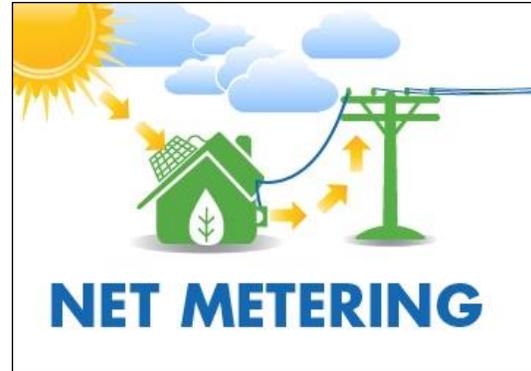


Figure 4: <http://blog.nycdatascience.com/student-works/r-shiny/net-metering-beneficial-utility-companies/>



While the Hawaii PUC cite concern over the costs imposed on consumers as a result of net metering policies, they have not gone through a public process of analyzing the costs and benefits of distributed generation, as other utility companies in other states have done.

### Action steps: Urge the PUC to:

- Complete a study evaluating the costs and benefits of net metering policies
- Reinstate net metering policies that fairly compensate customers

## DEVELOPING THE BLACK-GREEN PIPELINE

African Americans are inadequately represented in the clean energy sector. It is the goal of the NAACP Black-Green Pipeline Initiative that African Americans will have increased representation across all sectors of the clean energy economy. The Black-Green Pipeline Initiative promotes the equitable inclusion of communities of color into the green economy in order to address unemployment in our communities and to increase the voices and influence of our communities in the green economy.

To subscribe to the Black-Green Pipeline Initiative Weekly Digest send a blank email to:

naacp-bgp-subscribe@yahoogroups.com

### The Green Labor Market and Communities of Color

Hawaii has an average concentration of **energy employment**, with 16,983 traditional energy workers statewide. The electric power generation sector claims the largest majority of these jobs, with 7,347 jobs. The solar industry makes up the largest segment of these jobs, with 4,883 jobs, followed by tradition fossil fuel generation with 2,127 jobs.<sup>v</sup> **In 2016 the Solar Foundation reported that Hawaii was number five in the nation for solar jobs per capita.**<sup>vi</sup>



After Hawaii suspended the popular net metering program in 2015 a large majority of solar companies [reported](#) job losses:

- Solar companies employed 1,131 employees prior to the suspension of net metering.
- Six months later companies reported having 692 employees, a 39% decrease.<sup>vii</sup>
- According to a poll by The Hawaiian Energy Association, 88% of solar companies reported job losses as a result of the decision to end net metering.<sup>viii</sup>

According to the 2016 [Solar Jobs Census](#), **only about 7% of the national solar workforce is African American** compared to the about 12% African Americans make up of the total U.S. workforce. African Americans are under-represented in all segments of the solar economy, with the widest disparities for women of color.<sup>ix</sup>



**Action step:** Host a *Bridge the Gap: Connecting Black Communities to the Green Economy* Program to establish working groups with existing organizations to increase African American engagement with local green economy.

## TAKING ACTION

As Hawaii makes progress towards its 100% renewable energy goal, the Hawaii NAACP can play a key leadership role in this process to ensure that Hawaii's transition to a clean energy economy is equitable and just. Hawaii NAACP leaders took the first steps by attending the regional Energy Justice Practitioner training in San Francisco in 2016. Now its time for the Hawaii NAACP to take action. Here are some key ways to engage:

## Launch a Just Energy Policy Campaign

- Identify a clean energy or energy efficiency policy need in your state or community (see page three).
- Develop a campaign to pass clean energy and or energy efficiency legislation, including renewable portfolio standards, energy efficiency resource standards, net metering standards, etc.
- NAACP policy recommendations are listed on page three of this snapshot; request a copy of the NAACP Model Energy Policies Guide for more information on NAACP policy recommendations.

## Host a Bridging the Gap: Connecting Black Communities to the Green Economy Roundtable

- Organize a multi-stakeholder roundtable to promote engagement of communities of color in the new green economy.
- Discuss developing and implementing a strategy to ensure that policies/laws/regulations, research initiatives, community level practices, corporate social responsibility measures, etc. are in place to ensure greater engagement of communities of color in the green economy.
- Potential participants: socially responsible energy business leaders, historically black colleges and universities, environmental groups, civil rights organizations, labor unions, and others.

## Implement a Just Energy Project

- Launch a demonstration project in your community such as:
  - a rooftop solar project
  - a community solar garden
  - a community home weatherization or energy retrofit program
- ECJ staff can help facilitate project planning and implementation, including technical support and assistance accessing funding.

## Develop a Community Based Campaign to Reduce Harmful Emissions

- Execute a community based campaign to close a coal fired power plant.
- Advance a just transition model for plant closures in order to ensure that revenue and jobs lost from coal plant closure are replaced with new economic development enterprises that advance energy efficiency and clean energy.
- Coordinate an effort to pass local emissions reductions regulations.

**Climate Justice Alliance:** coalition of organizations united for a just transition to a clean energy economy.

**KAHEA:** Hawaiian community based organization working to improve the quality of life for Hawaii's people.

**Hawaii Interfaith Power and Light:** state chapter of national network to raise climate change awareness in religious communities.

**University of Hawaii Energy Justice Program:** law program at the University of Hawaii at Manoa that focuses on energy policy and community engagement.

**Hawaii Natural Energy Institute:** research unit of the School of Ocean and Earth Science and Technology at the University of Hawaii at Manoa

Although there is little debate as to whether or not Hawaii should transition to a clean energy economy, the path to 100% renewables is still being paved. Although Hawaii has taken some major steps to begin to map the path to 100% renewable energy, the state still faces decisions that will determine how and if it can meet this goal. At stake is the fundamental question of whether power should be generated from the top-down or bottom-up. Will customers be able to seize control of energy generation through distributed power generation or will utility companies maintain a monopoly that prevents the equitable distribution of power, ownership, and economic rewards of the electricity system?

*Need additional support, resources, or other assistance?*

Contact: [ecjp@naacpnet.org](mailto:ecjp@naacpnet.org)

## CLOSING

Today there is unprecedented urgency for climate action and a just transition to clean renewable energy. States like Hawaii have the power to be leaders in the energy transition and demonstrate that our energy systems can be both clean and just.

Embracing a transition to clean, renewable energy sources will not only provide significant environmental and health benefits for Hawaiians, but will also diversify and strengthen the state's renewable energy economy. NAACP just energy leaders should advocate on behalf of a strong Renewable Portfolio Standard, Energy Efficiency Resource Standard, and Net Metering standards. In addition, Hawaii should ensure that policies are in place to ensure equity in energy enterprise such as local hire provisions and disadvantaged business enterprises.



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<sup>i</sup> "Hawaii State Profile and Energy Estimates," *United State Energy Information Administration*, last modified on 20 October 2016,

<https://www.eia.gov/state/analysis.php?sid=HI>.

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<sup>iii</sup> Jacqueline Patterson, Marcus Franklin, Caroline Kurtz, Mike Alksnis, Lorah Steichen, Chiquita Younger, "Lights Out In the Cold: Reforming Shut-Off Policies as if Human Rights Matter," *NAACP Environmental and Climate Justice Program*, March 2017,

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<sup>iv</sup> "Net Metering," *DSIRE*, last modified on 21 October 2015,

<http://programs.dsireusa.org/system/program/detail/596>.

<sup>v</sup> "2017 US Energy and Jobs Report State Charts," *United States Department of Energy*, accessed 11 July 2017,

[https://energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report%20State%20Charts%20\\_0.pdf](https://energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report%20State%20Charts%20_0.pdf).

<sup>vi</sup> "Solar Jobs Census 2016," *The Solar Foundation*, 2017,

<https://solarstates.org/#state/arizona/counties/solar-jobs/2016>.

<sup>vii</sup> Duane Shimogawa, "Large majority of Hawaii solar companies reporting job losses,"

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<sup>viii</sup> Krysti Shallenberger, "Hawaii Utilities Hit Rooftop Solar Caps for Grid Supply Tariff on Maui, Big Island," *Utility Dive*, 25 August 2016, <http://www.utilitydive.com/news/hawaii-utilities-hit-rooftop-solar-caps-for-grid-supply-tariff-on-maui-big/425087/>.

<sup>ix</sup> "National Solar Jobs Census," *The Solar Foundation*, 2017,

<http://www.thesolarfoundation.org/national/>.