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Hawaiʻi Utilities Commission Slams Door on Rooftop Solar, Undermines Hawaiʻi's Progress on Clean Energy

Unless corrected, this PUC ruling will devastate the local solar market, kill jobs, and raise costs for all utility customers

A recent decision issued by the Hawaiʻi Public Utilities Commission (PUC) sparked an upheaval in Hawaiʻi's homegrown clean energy industry because it undervalues the industry's contribution to our electric grid and our climate goals. This decision threatens to shut down access to rooftop solar for homes and small businesses, which will set off another wave of job losses, and reverse years of progress on Hawaiʻi's clean energy and climate goals.

The decision, issued just over two weeks ago on December 4, 2023, finalized the terms for the next generation of solar programs, called "Bring Your Own Device" or "BYOD," in which customers can be compensated for using their solar and battery systems to support the utility grid. But the PUC added severely unfavorable provisions to the program that will end up costing people extra money to participate (See decision here).

"This decision is an about-face for Hawaiʻi's leadership and aspirations on clean energy, including the prior work of the PUC. It undoes years of progress to enable customers to lead the way on adopting clean energy to reduce our reliance on fossil fuels and reduce costs for everyone," said Rocky Mould, Executive Director of the Hawaiʻi Solar Energy Association. "We're hoping the PUC quickly corrects course to avoid a catastrophe for local industry and a massive momentum killer for clean energy in Hawaiʻi."

Instead of enabling customers' on-site solar systems to support the grid and lower grid costs for all customers, the PUC's order forces customers to either pay for more expensive power from the monopoly utility or purchase solar systems that only serve their own needs. This counterproductive outcome increases costs for everyone and motivates customers to leave the grid, instead of encouraging customers to help build the clean energy grid of the future from the bottom up.

The PUC's decision is all the more surprising and disappointing given the proven successes of distributed, localized energy resources as a catalyst and driver of Hawaiʻi's clean energy progress over the years. Distributed solar has already contributed to half of HECO's renewable energy portfolio and collectively comprises the largest resource on HECO's grids.

The Battery Bonus program is the latest distributed energy success story, in which over 46 MW of rooftop solar and battery systems were rapidly enrolled to help support the grid on

O‘ahu and Maui and reduce costs when delays in HECO’s plans to add large-scale renewable projects led to a grid reliability crisis and bill spikes from oil prices. The Battery Bonus program, however, recently hit its program capacity limit. Absent an extension of that program by the PUC and a viable successor program in BYOD, the Hawai‘I solar market faces an impending shutdown.

Solar industry leaders Hawai‘I Solar Energy Association (HSEA) and Hawai‘I PV Coalition, represented by clean energy law firms Earthjustice and Keyes & Fox, took swift action and filed a motion late last week asking the PUC to reconsider its decision (see here). In their request, the industry representatives warn that the PUC’s order threatens to derail progress and “cause immediate and lasting market impacts as severe or worse than the fallout eight years ago,” when the PUC’s abrupt closure of the original net-metering (NEM) program forcibly downsized the local solar industry by over 60%, triggering the loss of approximately 2,000 jobs.

“In my 15 years working with this Commission, this decision is the most drastic misstep I have seen—up there with slamming the curtain on net metering eight years ago, but with potentially more disastrous results,” said Isaac Moriwake, an attorney with Earthjustice who has represented HSEA at the PUC since 2009. “It took years for the industry and market to find its footing again after that, and we can’t afford to repeat that history. Whatever is going on, hopefully the PUC can turn this around without delay.”

The PUC’s recent decision adds to mounting questions about the agency’s current direction, including concerns regarding its ongoing silence and inaction in response to the Lahaina wildfire disaster. Over the years, the PUC has taken a leadership role in reforming HECO’s business toward a performance-based model, with a primary focus on shifting the utility’s bias against customer-installed clean energy resources into a recognition of the benefits to the grid and all customers. The recent decision marks a stark reversal of this progress and risks a historically grievous setback for Hawai‘i’s clean energy industry, at a time when the state cannot afford to lose momentum toward its clean energy and climate goals.

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About Hawai‘I Solar Energy Association (HSEA)

The Hawai‘i Solar Energy Association is a non-profit organization representing and advocating for the solar and energy storage industry in Hawai‘i. HSEA works to promote the growth of solar energy and storage, advance policies that support clean energy initiatives, and contribute to the overall well-being and resiliency of Hawai‘i's communities.