

Honolulu, Hawaii

March 14, 2008

RE: S.B. No. 644
S.D. 3
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committees on Human Services & Housing and Energy & Environmental Protection, to which was referred S.B. No. 644, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY RESOURCES,"

beg leave to report as follows:

The purpose of this measure is to require the installation of solar energy or comparable renewable energy devices for heating water in all new residential construction, beginning January 1, 2009.

This measure would also expand the existing income tax credit for solar thermal energy systems installed in homes originally constructed prior to January 1, 2009.

Your Committees received testimony in support of this measure from Americans for Democratic Action - Hawaii Chapter, Conservation Council for Hawaii, CTS Foundation, Life of the Land, Sierra Club, Oahu Group, Sierra Club, Hawaii Chapter, Maui Sierra Club, and thirty-seven individuals. Testimony in opposition was received from the Building Industry Association, The Gas Company, Gentry Companies, Hawaii Solar Energy Association, and Mark Development, Inc. Comments were received from the Department of Business, Economic Development, and Tourism, the Department of Taxation, HECO, and the Hawaii Association of Realtors.



Your Committees find that crude oil prices have risen from \$65 per barrel to over \$100 per barrel in less than one year. With no relief under the State's direct control in sight and with the State's economic viability in jeopardy, the State must seriously consider requiring the installation of solar thermal systems to heat water in all new single-family dwellings. Doing so will accelerate the installation of this type of energy saving device, to the benefit of owners and renters of newly constructed homes. It will also mitigate the impact that reliance on fossil fuels has on our environment and economy. A government mandate of this technology in new home construction effectively shifts energy policy from government investment in this technology via tax credits to a required investment by the private sector in renewable energy that will result in greater benefit to the public at large.

Upon further consideration, your Committees have amended this measure by:

- (1) Postponing until January 1, 2010, the requirement that all new construction involve installation of a solar thermal device for water heating;
- (2) Limiting the requirement to single-family detached residences;
- (3) Permitting a substitute renewable energy device for water heating if it meets certain criteria;
- (4) Requiring that the solar thermal water heating device or substitute be installed by a licensed installer in compliance with applicable standards and be suitably sized for the application;
- (5) Restricting the income tax credit for installation of solar thermal energy systems in single-family homes to homes constructed prior to January 1, 2010; and
- (6) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services & Housing and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 644, S.D. 3, as amended herein, and recommend that it pass Second Reading in the



form attached hereto as S.B. No. 644, S.D. 3, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on behalf of the members of the Committees on Human Services & Housing and Energy & Environmental Protection,

(Hermina) Morita

HERMINA MORITA, Chair

Maile Shimabukuro

MAILE SHIMABUKURO, Chair



State of Hawaii
House of Representatives
The Twenty-fourth Legislature

HB 421124

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: <i>SB644 SDB</i>	Committee Referral: <i>HSH/EEP, EDB, FIN</i>	Date: <i>3/13/08</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	✓			
2. CARROLL, Mele (VC)	✓			
3. ITO, Ken	✓			
4. KARAMATSU, Jon Riki		✓		
5. MAGAOAY, Michael Y.				✓
6. SAGUM, Roland D., III	✓			
7. SAIKI, Scott K.				✓
8. THIELEN, Cynthia				✓
TOTAL (8)	4	1		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>Mele Carroll</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				