

HAWAII RENEWABLE ENERGY ALLIANCE

46-040 Konane Place #3816, Kaneohe, HI 96744 – Telephone/FAX: 247-7753 – Email: wsb@lava.net

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

SB 644 SD3, RELATING TO ENERGY RESOURCES

March 13, 2008

Chair Morita, Vice-Chair Carroll and members of the Committee, I Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of SB 644 SD3 is to: (1) require the installation of solar energy or comparable renewable energy devices to heat water in newly constructed residential properties; and (2) increase limits for renewable energy income tax credit to systems installed and placed in service, in single family and multi-family residential properties constructed prior to 1/1/09. HREA supports the **noble goal** of increasing the number of solar energy devices in Hawaii, but **opposes this bill** for the following concerns about the approach as proposed in this measure:

- (1) The proposed approach for mandates for solar and “comparable renewable” devices on new residential construction is problematic:
 - a. While DBEDT is to adopt rules, the proposed approach will be an unfunded mandate for the counties to administer – there is no proposed approach or funding for how the counties will ramp up to define system and inspection requirements, including hiring and training of appropriate personnel; and
 - b. The criteria for exemptions, based on “impracticability” and “cost” as defined, will be hard for building inspectors to interpret and enforce. The design and installation criteria are to be based on the HECO companies DSM programs, which is good. However, the bill does not recognize and address what happens when the HECO programs transition to the Public Benefits Fund Administrator (planned for January 1, 2009).
- (2) We already have a mandate for solar water heating as part of our Renewable Portfolio Standards (RPS). The current tax credits (which Hawaii real estate developers can take) and utility DSM programs are working in support of our RPS law. Whereas we believe this bill is a recipe for disaster.

Please hold this bill in Committee.

Thank you for this opportunity to testify.