

GOV. MSG. NO. 635

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

June 25, 2010

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on June 25, 2010, the following bill was signed into law:

SB2563 SD1 HD2 CD1

A BILL FOR AN ACT  
RELATING TO ENERGY EFFICIENCY.  
ACT 175 (10)

Sincerely,



LINDA LINGLE

Approved by the Governor  
on JUN 25 2010

**ACT 175**

THE SENATE  
TWENTY-FIFTH LEGISLATURE, 2010  
STATE OF HAWAII

**S.B. NO.** 2563  
S.D. 1  
H.D. 2  
C.D. 1

---

---

# A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 196-6.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§196-6.5 Solar water heater system required for new**  
4 **single-family residential construction.** (a) On or after  
5 January 1, 2010, no building permit shall be issued for a new  
6 single-family dwelling that does not include a solar water  
7 heater system that meets the standards established pursuant to  
8 section 269-44, unless the [~~energy resources~~] coordinator  
9 approves a variance. A variance application shall only be  
10 accepted if submitted by an architect or mechanical engineer  
11 licensed under chapter 464, who attests that:

- 12 (1) Installation is impracticable due to poor solar  
13 resource;
- 14 (2) Installation is cost-prohibitive based upon a life  
15 cycle cost-benefit analysis that incorporates the  
16 average residential utility bill and the cost of the



1 new solar water heater system with a life cycle that  
2 does not exceed fifteen years;

3 (3) A renewable energy technology system, as defined in  
4 section 235-12.5, is substituted for use as the  
5 primary energy source for heating water; or

6 (4) A demand water heater device approved by Underwriters  
7 Laboratories, Inc., is installed; provided that at  
8 least one other gas appliance is installed in the  
9 dwelling. For the purposes of this paragraph, "demand  
10 water heater" means a gas-tankless instantaneous water  
11 heater that provides hot water only as it is needed.

12 (b) A request for a variance shall be submitted to the  
13 [~~energy resources~~] coordinator on an application prescribed by  
14 the [~~energy resources~~] coordinator and shall include a  
15 description of the location of the property and justification  
16 for the approval of a variance using the criteria established in  
17 subsection (a). A variance shall be deemed approved if not  
18 denied within thirty working days after receipt of the variance  
19 application. The [~~energy resources~~] coordinator shall  
20 publicize:

21 (1) All applications for a variance within seven days  
22 after receipt of the variance application; and



1           (2) The disposition of all applications for a variance  
2           within seven days of the determination of the variance  
3           application.

4           (c) The director of business, economic development, and  
5 tourism may adopt rules pursuant to chapter 91 to impose and  
6 collect fees to cover the costs of administering variances under  
7 this section. The fees, if any, shall be deposited into the  
8 energy security special fund established under section 201-12.8.

9           [~~(e)~~] (d) Nothing in this section shall preclude any  
10 county from establishing procedures and standards required to  
11 implement this section.

12           [~~(d)~~] (e) Nothing in this section shall preclude  
13 participation in any utility demand-side management program or  
14 public benefits [~~fund~~] fee program under part VII of chapter  
15 269."

16           SECTION 2. Section 196-42, Hawaii Revised Statutes, is  
17 amended to read as follows:

18           "~~[§]196-42[§]~~ **State support for achieving alternate fuels**  
19 **standards.** The State shall facilitate the development of  
20 alternate fuels and support the attainment of a statewide  
21 alternate [~~fuel~~] fuels standard of ten per cent of highway fuel  
22 demand to be provided by alternate fuels by 2010, fifteen per



1 cent by 2015, [~~and~~] twenty per cent by 2020[-], and thirty per  
2 cent by 2030. For purposes of the alternate fuels standard,  
3 ethanol produced from cellulosic materials shall be considered  
4 the equivalent of [~~2.5~~] two and one-half gallons of  
5 noncellulosic ethanol. "Alternate fuels" shall have the same  
6 meaning as contained in 10 Code of Federal Regulations Part 490;  
7 provided that it shall also include liquid or gaseous fuels  
8 produced from renewable feedstocks such as organic wastes, or  
9 from water using electricity from renewable energy sources."

10 SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12 "(a) There is created within the state treasury an energy  
13 security special fund, which shall consist of:

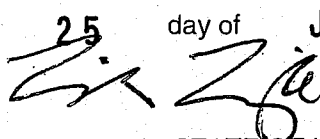
- 14 (1) Moneys appropriated to the fund by the legislature;
- 15 (2) All interest attributable to investment of money  
16 deposited in the fund; and
- 17 (3) Moneys allotted to the fund from other sources[-],  
18 including under section 196-6.5."

19 SECTION 4. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect on July 1, 2010.

22

APPROVED this 25 day of JUN, 2010



GOVERNOR OF THE STATE OF HAWAII