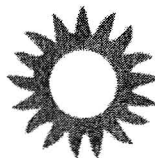


TESTIMONY SUBMITTED BY



ISLAND PACIFIC ENERGY

Joseph Saturnia

President

Island Pacific Energy LLC

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COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

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HB 2197 HD1

RELATING TO CONDOMINIUMS

February 10, 2010 2:00PM

State Capitol

House Conference Room 325

415 South Beretania Street

Honolulu, HI 96813

Support for HB 2197 HD1 – RELATING TO CONDOMINIUMS

Executive Summary

My name is Joseph Saturnia and I am President of Island Pacific Energy, the leading developer, owner operator of photovoltaic renewable energy facilities in the State of Hawai'i. I am testifying on behalf of Island Pacific Energy in support for HB 2197 HD1- RELATING TO CONDOMINIUMS. We support this bill as it further encourages the use of renewable energy in a market that has difficulty in implementing renewable energy systems.

Condominiums and Renewables

Even though condominiums are excellent candidates for renewable energy systems, condominiums have been slow to implement renewable energy systems. This is as much due to the difficulty in utilizing the available incentives as getting thorough the approval process. By granting condominium boards the authority to approve the installation of renewable energy systems, it eliminates a significant hurdle. This measure permits condominium associations to consider innovative ways to achieve energy cost savings that directly benefit all of its members.

Conclusion

By granting condominium boards the authority to approve the installation of renewable energy systems, we will take one step closer to energy independence, help build our local renewable energy industry and stimulate our local economy. Mahalo for the opportunity to testify.

Joseph Saturnia

President

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About Island Pacific Energy

Island Pacific Energy is the leading developer, operator of photovoltaic solar energy facilities in the State of Hawai'i and is the recipient of the Governor's Award for Innovation. Island Pacific Energy makes renewable energy systems affordable to Hawaiian consumers, businesses, government, and not-for-profit organizations. For more information, please visit www.islandpacificenergy.com.

1001 Bishop Street, Suite 780
Honolulu, Hawaii 96813-3410
February 9, 2010

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION
REGARDING HOUSE BILL 2197, HD1

Hearing Date : WEDNESDAY, February 10, 2010
Time : 2:00 p.m.
Place : Conference Room 325

Representative Herkes and Members of the Committee,

My name is John Morris and I am testifying in favor of HB 2197 HD1. I have been involved with condominiums since 1988, when I served as the first condominium specialist with the Hawaii real estate commission (from 1988 to 1991). Since then, I have served as an attorney advising condominium associations.

As the preamble to the bill indicates, a few years ago, the Legislature amended the law to make it easier for individual owners to install solar energy devices on the common elements of their condominium projects. HB 2197 HD1 proposes to create the same opportunities for boards of directors to install solar energy devices on the common elements, for the benefit of all residents of the condominium project.

Companies are now asking associations to lease the roofs of certain condominium projects to install solar energy devices. Wind generators are also possible for certain projects. As Hawaii struggles to become energy independent, every installation on a condominium is a small step to achieving that goal. The proposals from companies usually compensate associations for the use of the project roofs or provide them with electricity at lower rates because of tax credits and the sale of surplus power to the utility company. (Since a condominium association often pays little, if any, taxes, it usually cannot take advantage of the tax credits which are available to for-profit companies that install the solar energy devices.) These arrangements can be particularly helpful for neighbor island projects because electricity rates are even higher than on Oahu.

Under the present condominium law, the Legislature has established high levels of owner approval -- 67% and even 75% -- to lease even unused areas of the project, such as roofs. Therefore, while theoretically condominium boards can take advantage of these proposals by obtaining owner approval, such high levels of approval, combined with owner apathy, can defeat the best efforts of the boards to install solar energy devices.

HB 2197 HD 1 proposes to allow the board, alone, to install solar energy devices or lease roofs and other unused areas of the project for their installation. Since boards owe a fiduciary duty to act in their fellow owners' best interests, protections from abuse are already built into the law.

Nevertheless, if the Legislature has a concern about giving boards too broad an authority, the approval requirements to allow such installations should at least be reduced from 67% or 75% down to owner approval of a simple majority. In that way, sufficient owners will be able to participate in the process without allowing unreasonably high approval requirements to "hamstring" the efforts of boards to install solar energy devices.

Precedents for majority owner approval already exist. If the board is proposing to obtain a loan for the association (section 514B-105(e)), majority owner approval must be obtained. Similarly, if the board is proposing to collect rent from tenants of a delinquent owner (section 514B-145) or terminate common services and utilities of a delinquent owner (section 514B-146), majority owner approval must be obtained. In those three cases, the Legislature has decided that the importance of allowing those procedures to go forward justifies a reduced approval requirement.

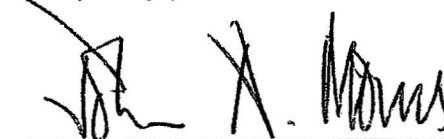
The wording of the approval provisions in the law is straightforward. For example, section 514B-145(g) states:

(g) Before the board may take the actions permitted under subsection (a) [i.e., collection of rent from tenants], the board shall adopt a written policy providing for the actions and have the policy approved by a majority vote of the unit owners at an annual or special meeting of the association or by the written consent of a majority of the unit owners.

A similar provision could be adopted for HB 2197 HD1 if owner approval is a concern.

Please contact me at 523-0702 if you have any questions. Thank you for this opportunity to testify.

Very truly yours,



John A. Morris



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

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Masons Local 630

February 10, 2010

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Vice President
Iron Workers Local 625

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International Brotherhood of
Electrical Workers Local 1186

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District Council 50
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Local 1731

KALANI MAHOE
Operating Engineers Local 3

PETER GANABAN
Laborers' International Union of North
America Local 368

DOUGLAS FULP
International Association of
Heat & Frost Insulators
& Allied Workers Local 132

Honorable Representative Robert N. Herkes, Chair
Honorable Representative Glenn Wakai, Vice Chair
Members of the House Committee on Consumer Protection & Commerce
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF HB 2197, HD1**
RELATING TO CONDOMINIUMS.
Hearing: Wed., February 10, 2010, 2:00 p.m., Room 325

Dear Chair Herkes, Vice Chair Wakai and the House Committee on
Consumer Protection & Commerce:

For the Record my name is Buzz Hong, the Executive Director for
the Hawaii Building & Construction Trades Council, AFL-CIO. Our
Council is comprised of 16-construction unions and a membership
of 26,000 statewide.

Our Council **SUPPORTS** the passage of **HB 2197, HD1** that gives
boards of directors authority to install or allow the installation of
solar energy or wind energy devices on the common elements of
condominiums.

Thank you for the opportunity to submit this testimony in support
of **HB 2197, HD1**.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/dg

Skilled Craftsmanship Makes the Difference.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

February 10, 2010
2:00 P.M.

HOUSE
COMITTEE ON CONSUMER PROTECTION &
COMMERCE

Mark Duda
President

HB 2197

TESTIMONY IN SUPPORT

Aloha Chair Herkes, Vice Chair Wakai and Members of the Committee,

HSEA supports this bill as a common sense measure that will further the growth in Hawaii's clean energy industries. By giving the boards of directors the authority to install or allow the installation of solar or wind energy devices, you are increasing the base of potential customers for renewable energy products and thereby increasing the capacity to which the state can reach its clean energy goals.

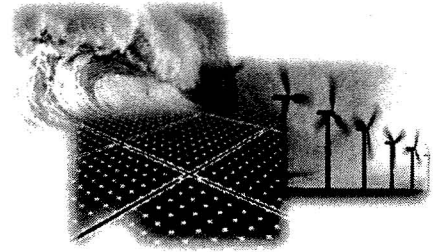
HSEA feels this would alleviate a small but still significant barrier the solar industry faces and appreciates the intent of the bill.

Thank you for the opportunity to testify on this measure.

Mark Duda
President, Hawaii Solar Energy Association

About Hawaii Solar Energy Association

Hawaii Solar Energy Association (HSEA) is comprised of installers, distributors, manufacturers and financiers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. Our primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread understanding of the various applications of solar energy conversion in order to increase their usefulness to society.



HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
February 10, 2010, 2:00 P.M.
Room 325

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF HB 2197 HD1

Chair Herkes and members of the Committee:

The Blue Planet Foundation supports House Bill 2197 HD1, a measure which extends to association boards of directors the right to install wind and solar energy devices on common elements of condominiums. This common sense measure will encourage further adoption of energy—and money—saving clean energy devices and move Hawai'i closer to energy independence.

Blue Planet believes Hawai'i's clean energy future will be largely decentralized and diversified, meaning our power will be generated from a variety of sources across the islands. Putting our rooftop spaces to work collecting solar energy will likely be a significant source of tomorrow's energy. The most populated parts of the state receive between 450 and 500 calories of solar radiation per square centimeter every day¹. To put into perspective, an average rooftop space of 1100 square feet receives the energy equivalent of approximately 15 gallons of gasoline daily. Common areas of condominiums or other shared living structures are likely much larger and could produce substantial amounts of power—if they are put to work.

Enabling associations to install solar or wind devices or lease their common area space for such a purpose is smart clean energy policy.

Thank you for the opportunity to testify.

¹ State of Hawai'i (2003). Hawaii Statewide GIS Program Solar Radiation Maps.