

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE
ON
CONSUMER PROTECTION AND COMMERCE
Wednesday, February 10, 2010
2:00 pm
State Capitol, Conference Room 325

in consideration of
HB2520
RELATING TO PHOTOVOLTAIC READY NEW RESIDENTIAL HOMES.

Chair Herkes, Vice Chair Wakai, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) supports HB2520 which requires that homes built on or after January 1, 2012, include conduits, adequately sized subpanels and blueprints and labeling to facilitate the installation of photovoltaic systems. This is an Administration measure, and we strongly support that new homes be photovoltaic ready to reduce the cost of installing a photovoltaic systems once the home is occupied.

The cost of including photovoltaic equipment and blueprints should be minimal at the time of construction. Our discussions with the solar industry indicate that the cost to bring a new home to photovoltaic ready is about \$100 to \$500 per home, but the cost to retrofit a home is several thousands of dollars. Therefore, these preparatory measures will help homeowners reduce their cost and transition to a renewable future. As public awareness of the need to reduce oil imports and increase local employment grows, it is expected that photovoltaics will become increasingly popular.

With the high cost of imported oil and our high dependence on imported oil, we support this measure which will bring us closer to our Hawaii Clean Energy Initiative goal of 70 percent clean energy by 2030. By achieving higher levels of energy efficiency and using renewable energy in new homes, the State of Hawaii will save energy, resources, and money, as well as work toward achieving the Hawaii Clean Energy Initiative's goal of 70% clean energy by 2030, that is 30% energy efficiency and 40% renewable energy.

Thank you for the opportunity to provide these comments.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

February 10, 2010
2:00 P.M.

HOUSE
COMITTEE ON CONSUMER PROTECTION &
COMMERCE
HB 2520

Mark Duda
President

TESTIMONY IN STRONG SUPPORT

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

HSEA supports this bill as a common sense measure that will generate considerable savings for Hawaii homeowners at no cost to the general fund. There are two sources of savings.

First, a portion of the work that our industry does could be done much more easily and cheaply during the construction phase of the home, rather than as a retrofit project. The best example of this is running conduit from the roof to the homes electrical panel. The cost of doing this is on the order of a few hundred dollars at the time of construction and several thousands later on. Further, when the PV industry has to run conduit there is often no alternative to putting it on the outside of the home in ways that can be unsightly. Everyone involved is better off if the home is pre-designed for PV at very modest additional cost than if the project must be done as a retrofit.

The second way that homeowners pay more when homes are not designed with PV in mind is if the roof is difficult for sitting PV modules. We can usually place a system somehow, but more panels may be required to make the same amount of power if the tilt or orientation of the roof is challenging. The solar industry realizes that not all of the proposed changes are easy for homebuilders to implement. However, these concerns must be balanced against the desire of homeowners for clean renewable energy at a reasonable cost.

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.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

GENTRY PACIFIC DESIGN CENTER, STE. 215A • 560 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
(808) 524-2249 • FAX (808) 524-6893

NOLAN MORIWAKI

President
Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement
Masons Local 630

February 10, 2010

JOSEPH O'DONNELL

Vice President
Iron Workers Local 626

DAMIEN T. K. KIM

Financial Secretary
International Brotherhood of
Electrical Workers Local 1186

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

ARTHUR TOLENTINO

Treasurer
Sheet Metal Workers I.A. Local 293

REGINALD CASTANARES

Trustee
Plumbers & Fitters Local 675

RE: **IN SUPPORT OF HB 2520**
PHOTOVOLTAIC READY NEW RESIDENTIAL HOMES.
Hearing: Wed., February 10, 2010, 2:00 p.m., Room 325

THADDEUS TOMEI

Elevator Constructors Local 126

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

MALCOLM K. AHLO

Carpet, Linoleum, & Soft Tile
Local 1266

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.

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

Our Council **SUPPORTS** the passage of **HB 2520** that requires new
single-family residential construction incorporate design elements
and minimum equipment installation at the time of construction so
as to facilitate the future adoption of a photovoltaic system.

RICHARD TAGGERE

Glaziers, Architectural Metal &
Glassworkers Local Union 1889

RONAN KOZUMA

Hawaii Teamsters & Allied
Workers Local 996

Thank you for the opportunity to submit this testimony in support
of **HB 2520**.

GARY AYCOCK

Boilermakers, Ironship Builders
Local 627

Sincerely,

LYNN KINNEY

District Council 60
Painters & Allied Trades
Local 1791

W. Hong/dg

William "Buzz" Hong
Executive Director

GALANI MAHOE

Operating Engineers Local 3

WBH/dg

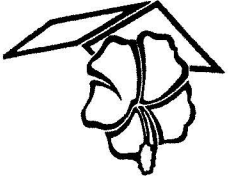
PETER GANABAN

Laboreers' International Union of North
America Local 368

DOUGLAS FULP

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

Skilled Craftsmanship Makes the Difference.



ROOFING CONTRACTORS ASSOCIATION OF HAWAII

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February 10, 2010

Testimony To: House Committee on Consumer Protection & Commerce
Representative Robert N. Herkes, Chair

Presented By: Tim Lyons, CAE
Executive Director

Subject: H.B. 2520 – RELATING TO PHOTOVOLTAIC READY NEW RESIDENTIAL
HOMES

Chair Herkes and Members of the Committee:

I am Tim Lyons, Executive Director of the Roofing Contractors Association of Hawaii and we have some concerns about this bill.

The photovoltaic industry is emerging. It is not a static industry and as a result, photovoltaic systems are being developed and redeveloped all the time.

As an example, photovoltaic systems come in the form of panels that are mounted on a rack above your roof and they also come incorporated into roofing materials in which case, there is no rack and there is no "structural load-bearing capacity", as this bill refers to it. We are also not quite sure how one could draw blueprints unless you already knew what kind of

photovoltaic system was to be installed including its placements and connections which could be slightly different based on the two (2) systems we described above.

Although we certainly support photovoltaic and our members are in the midst of developing and installing these systems, we don't see how this bill helps the situation; in fact we think it compounds the problem and precludes certain systems.

We would suggest new wording to provide that "photovoltaic ready" means design elements that enable any type of photovoltaic system and leave it at that so that no system is precluded.

Based on the above, we cannot support this bill as written.

Thank you.



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Harry A. Saunders
President

Fax Submittal: 586-6621
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Testimony by Harry Saunders
President, Castle & Cooke Hawaii
February 9, 2010

Before the House Committee on
CONSUMER PROTECTION and COMMERCE

February 10, 2010
2:00 P.m.
Room 325

Opposition to:

HB 2520
RELATING TO PHOTOVOLTAIC READY NEW RESIDENTIAL HOMES
and

HB 2521
RELATING TO NET ZERO ENERGY CAPABLE CONSTRUCTION

Chair Herkes, Vice Chair Wakai and Members of the Consumer Protection and Commerce Committee.

I am Harry Saunders, President of Castle & Cooke Hawaii. While we support efforts to reduce our reliance on foreign oil, we are opposed to unfunded or non-incentivized mandates as they are not a fair and reasonable approach to achieving an intended purpose.

These two proposals intended as energy efficiency mandates are not equitable and unfairly target a limited group of new single family home buyers who will be burdened with increased design and housing costs. We feel that the results will be a limited scale of home energy efficiencies at the cost of driving up the cost of new single family homes, and creating dis-incentives to a new home construction.

Castle & Cooke is involved in various renewable energy initiatives and believes that photovoltaic and net zero home application will have merit and need to be considered at some point in the future. But at this time, when we are hoping for measures that stimulate home construction to create jobs and create new housing inventory, HB 2520 and HB 2521 will increase construction costs and create additional burdens on construction.

Government mandates and policies must be balanced to ensure that they do not negatively impact other critical issues. While energy efficiency programs are important to reduce our reliance on foreign oil, we must also address the lack of new housing stock and provide homeownership opportunities for Hawai'i families.

On behalf of Castle & Cooke, thank you for your consideration of our testimony. If you have questions, please feel free to contact us:

Harry Saunders, President
Castle & Cooke Hawai'i
aktsukamoto@castlecooke.com
548-4884

Richard Mirikitani, Senior Vice President and Counsel
Castle & Cooke Hawai'i
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Carleton Ching, Vice President – Community and Government Relations
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548-3793

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

94-487 Akoki Street
Waipahu, Hawaii 96797

February 10, 2010

Representative Robert Herkes, Chair
Committee on Consumer Protection and Commerce
State Capitol, Room 325
Honolulu, Hawaii 96813

Dear Chair Herkes and Members of the Committee on Consumer Protection and Commerce:

Subject: House Bill 2520 Photovoltaic Ready New Residential Homes

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII strongly opposes H.B. 2520

The bill proposes to amend Chapter 196 HRS to require all new single-family residential construction, after January 1, 2012, to incorporate design elements and minimal equipment installation to make the structure “photovoltaic-ready” at the time of initial construction and will facilitate widespread adoption of photovoltaic systems in the future.

This appears to be a follow up to the Mandatory Solar legislation (SB 644, Act 204, 2008 SLH) which mandated solar water heaters be installed on all new single family residences constructed after January 1, 2010.

BIA-Hawaii is strongly opposed to “government mandates” that are not related to “public health and safety” issues. Also, why is it that these “government mandates” are always portrayed as having significant long-term social gains (i.e. Widespread adoption of solar technologies on residential buildings will result in reduced energy demand on the grid and reduced greenhouse gas emissions), but shift the cost on one segment of the community (i.e. new home buyers).

If the goal was really to significantly reduce our 90% dependency on imported oil, wouldn't it have made more of an impact on our energy dependency to require all existing housing units (approximately 491,000 as of July 2005) to convert to solar water heaters or install a photovoltaic system, as opposed to placing this requirement on only

new units (approximately 5,700 new units were constructed in 2006)? Why do you think the focus was on new units as opposed to existing?

The bill also does not recognize the fact that each photovoltaic system is unique or specific for that particular project. Therefore any prior installations may be obsolete and cost more to remove and install new.

We believe that **choices**, not mandates, should be the role of government especially when the government intervention goes beyond its basic role of providing for our public health, safety or welfare. We do not support government interference in the free market system. The choice of whether or not one chooses a photovoltaic system for a homeowner should be governed by market incentives rather than regulation. Compliance with these types of regulations will increase the cost of the homes in Hawaii, and impact the delivery of affordable housing units.

Thank you for the opportunity to share our views with you.



Chief Executive Officer
BIA-Hawaii



February 10, 2010

The Honorable Robert Herkes, Chair
Committee on Consumer Protection & Commerce
State House of Representatives
State Capitol, Room 325
Honolulu, Hawaii 96813

Dear Chair Herkes and Members:

Subject: House Bill No. HB 2520 Relating to Photovoltaic Ready New Residential Homes

My name is Lance Wilhelm, President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications. It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

HDC strongly opposes S.B. No. 2520.

The bill proposes to amend Chapter 196 HRS to require all new single-family residential construction, after January 1, 2012, to incorporate design elements and minimal equipment installation to make the structure "photovoltaic-ready" at the time of initial construction and will facilitate widespread adoption of photovoltaic systems in the future.

The intent stated in this legislation is:

"To optimize future gains from solar technology adoption. Photovoltaic-ready requirements will ensure that new residential construction is designed to reap the maximum benefits of future solar technology installations, thus reducing potential cost-recoupment periods after solar technologies are installed. Widespread adoption of solar technologies on residential buildings will result in reduced energy demand on the grid and reduced greenhouse gas emissions. Individuals who choose to install solar technologies will benefit from reduced electricity costs; that savings can be substantial depending on fossil fuel prices. This policy also helps to develop a market for solar technology construction and design and

increases awareness of solar technologies in the construction industry for homeowners in general. These are crucial factors in addressing barriers to solar adoption.”

This appears to be a follow up to the Mandatory Solar legislation (SB 644, Act 204, 2008 SLH) which mandated solar water heaters be installed on all new single family residences constructed after January 1, 2010.

The Hawaii Developer’s Council is strongly opposed to “government mandates” that are not related to “public health and safety” issues. Also, why is it that these “government mandates” are always portrayed as having significant long-term social gains (i.e. Widespread adoption of solar technologies on residential buildings will result in reduced energy demand on the grid and reduced greenhouse gas emissions), but shift the cost on one segment of the community (i.e. new home buyers).

If the goal was really to significantly reduce our 90% dependency on imported oil, wouldn’t it have made more of an impact on our energy dependency to require all existing housing units (approximately 491,000 as of July 2005) to convert to solar water heaters or install a photovoltaic system, as opposed to placing this requirement on only new units (approximately 5,700 new units were constructed in 2006)? Why do you think the focus was on new units as opposed to existing?

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