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Bill No. 2520

February 1, 2010

Support Y N

The Honorable Hermina M. Morita, Chair
House Committee on Energy & Environmental Protection
The Honorable Rida Cabanilla, Chair
House Committee on Housing
State Capitol, Room 325
Honolulu, Hawaii 96813

Date 2/1

Time 8:52

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RE: H.B. 2520 Relating to Photovoltaic Ready New Residential Homes

Type 1 2 WI

HEARING: Tuesday, February 2, 2010 at 9:30 p.m.

Aloha Chair Morita, Chair Cabanilla, and Members of the Joint Committees:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR **supports the intent** of H.B. 2520, requiring new single-family residences constructed after January 1, 2012 to be built to facilitate installation of photovoltaic electrical power systems.

It is the goal of the State of Hawaii to reach the goal of 70 percent clean, renewable energy by the year 2030. This measure would help contribute to that goal by requiring new single-family residences to incorporate design elements and minimal equipment installation so as to facilitate the future adoption of photovoltaic systems.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.





February 2, 2010

The Honorable Hermina Morita, Chair
Committee on Energy and Environmental Protection
The Honorable Rida Cabanilla, Chair
Committee on Housing
State House of Representatives
State Capitol, Room 325
Honolulu, Hawaii 96813

Bill No. 2520

Support Y N

Date 2/1

Time 10:42

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Type 1 2 WI

Dear Chairs Morita and Cabanilla, and Members:

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

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber strongly opposes H.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 Chamber of Commerce of 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 single family home buyers who are most often young couples and/or young families who can least afford the ever increasing cost burden of federal, State and county government mandates).

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? Political expediency?

Government mandates and policies must be reconciled and balanced. While it is important to reduce our reliance on foreign oil, we must also supply new housing stock for a growing need. Unfunded or non incentivized mandates are not equitable and in this proposal, only targets a small segment of the community, homebuyers of a new single family home. The resulting magnitude is a small scale effect of creating home energy efficiencies as compared to driving up the cost of new single family homes.

With the number of new units projected to be constructed in 2010 running at a pace that is expected to be less than half the 2006 number, what is needed are incentives to build more units and create more jobs, not more unfunded mandates. We believe that the 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 new homes in Hawaii, and adversely impact the construction (i.e. jobs) and delivery of affordable housing units (already a very difficult proposition in Hawaii).

Thank you for this opportunity to express our views.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

94-487 Akoki Street
Waipahu, Hawaii 96797

February 2, 2010

The Honorable Hermina Morita, Chair
Committee on Energy and Environmental Protection
The Honorable Rida Cabanilla, Chair
Committee on Housing
State Capitol, Room 325
Honolulu, Hawaii 96813

Dear Chairs Morita and Cabanilla:

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 covert to solar water

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Date 2/1

Time 11:26

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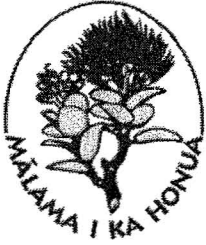
heaters or install a photovoltaic system, as opposed to placing this requirement on only new units (approximately 5,700 new units were constructed in 2006)? Why do you think the focus was on new units as opposed to existing?

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 the 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.

Karen I. Nakamura



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.538.6616 hawaii.chapter@sierraclub.org

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Support Y N

Date 2/1

Time 14:25

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Type 1 2 WI

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION HOUSE COMMITTEE ON HOUSING

February 2, 2010, 9:30 A.M.

(Testimony is 1 page long)

TESTIMONY IN STRONG SUPPORT OF HB 2520

Aloha Chair Morita, Chair Cabanilla, and Members of the Committees:

The Hawai'i Chapter of the Sierra Club strongly supports SB 2235, which requires all new buildings to contain the necessary design components to readily incorporate a photovoltaic system. This bill would add an insignificant cost to construction (estimated to be around \$100), but would greatly assist future residents who attempt to save a little money and reduce their carbon footprint by installing a photovoltaic system.

In order to meet Hawai'i's aggressive greenhouse gas reduction and energy security goals, it is necessary to transform the building sector. Buildings account for 72% of electricity use¹ and over 36% of greenhouse gas emissions in the U.S.² We need to improve the resource consumption of all new buildings (such as making it easy to install a photovoltaic system). By taking these steps, we will also directly improve the future comfort and affordability of homes.

Buildings have a many-decade lifetime, and today's buildings will continue to be a majority of all buildings in 2050. Without a focused effort to reduce energy demand in existing buildings, it will be virtually impossible to meet even the most modest greenhouse gas reduction targets.

While this measure may not, by itself, solve Hawai'i's energy problems, it is a strong step towards providing clean energy for everyone.

Thank you for this opportunity to provide testimony.

¹ Buildings Energy Data Book September 2007: 1.1 Buildings Sector Energy Consumption.

² EIA 2006: Emissions of Greenhouse Gases in the United States.