

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

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
PEARL IMADA IBOSHI
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

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
HB2521,HD1
RELATING TO NET ZERO ENERGY CAPABLE CONSTRUCTION.

Chair Herkes, Vice Chair Wakai, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB2521,HD1, an Administrative measure, which requires that homes built in 2015 and thereafter be designed to be “net zero energy capable.” The bill, as amended, incorporates our amendments which we strongly support. Net zero energy capable homes are maximized for energy efficiency so that the installation of on-site generation renewable energy systems is less expensive to install than further energy efficiency improvements. A net zero energy capable home will significantly reduce the cost to operate a home at the onset of occupation of the home and through subsequent years. 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.

Thank you for the opportunity to provide these comments.



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 625

DAMIEN T. K. KIM

Financial Secretary
International Brotherhood of
Electrical Workers Local 1186

ARTHUR TOLENTINO

Treasurer
Sheet Metal Workers I.A. Local 293

REGINALD GASTANARES

Trustee
Plumbers & Fitters Local 675

THADDEUS TOMEI

Elevator Constructors Local 128

MALCOLM K. AHLGREN

Carpet, Linoleum, & Soft Tile
Local 1296

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

RICHARD TACCARE

Glaziers, Architectural Metal &
Glassworkers Local Union 1389

RONAN KOZUMA

Hawaii Teamsters & Allied
Workers Local 998

GARY AYCOCK

Boilermakers, Ironship Builders
Local 627

LYNN KINNEY

District Council 50
Painters & Allied Trades
Local 1791

KALANI MAHOE

Operating Engineers Local 3

PETER GARABAN

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 2521, HD1**
NET ZERO ENERGY CAPABLE CONSTRUCTION.
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 2521, HD1** that requires
all new single-family residential construction be designed to be "net
zero energy capable" as of 1/1/2015.

Thank you for the opportunity to submit this testimony in support
of **HB 2521, HD1**.

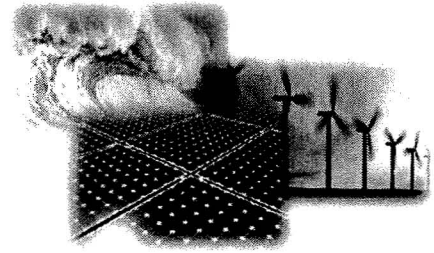
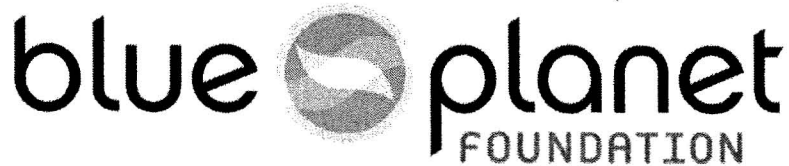
Sincerely,

W. Hong / dg

William "Buzz" Hong
Executive Director

WBH/dg

Skilled Craftsmanship Makes the Difference.



HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 10, 2010, 2:00 P.M.

Room 325

(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF HB 2521 HD1, SUGGESTED AMENDMENT

Chair Herkes and members of the Committee:

The Blue Planet Foundation supports House Bill 2521 HD1, a measure requiring the adoption of “net zero energy capable design” in new single-family residential construction. A net zero energy home is one that—on balance—generates as much energy as it uses.

We respectfully ask this Committee to amend HB 2521 to set the efficiency goal of “at least” 35% more efficient than the 2009 IECC—a code which will be outdated by 2015. We would prefer “50% more efficient than the International Code Council, International Energy Conservation Code (IECC), 2009 edition. **But we recognize the tradeoffs involved, so we ask that this Committee amend HB 2521 with “at least” at the start of Line 16, Page 2 and Line 6, Page 3, as well as changing references to the 2006 edition of IECC to the 2009 edition—a standard that at least one county is already pursuing for its building code.**

An aggressive building code reduces the cost of living for future homeowners and renters in Hawai'i. Strong building energy code standards foster the development of high performance buildings in Hawai'i—performance that would result in much lower energy bills over the life of the home or building. We simply will not be able to meet our clean energy goals without dramatic increases in building efficiency, as buildings are the largest consumer of electricity and the building stock turns over very slowly.

Energy efficiency—insulation, smart design, efficient lights, appliances, electronics, etc.—is the largest, cheapest, safest, and fastest energy option that Hawai'i can implement. Consider:

- Energy efficiency is the fastest-growing U.S. “energy source” (growth of ~3% annually)
- National energy efficiency programs save energy at an average cost of about 3 cents/kWh -- *about 1/10 the average electricity cost in Hawaii*

Jeff Mikulina, executive director • jeff@blueplanetfoundation.org

55 Merchant Street 17th Floor • Honolulu, Hawai'i 96813 • 808-954-6142 • blueplanetfoundation.org

- Energy efficiency provides major local economic benefits: energy efficiency is 100% obtained from investment in local homes and businesses

Efficiency investments pay back to Hawaii's economy and residents in numerous ways. First, the investment in efficiency pays back in savings during the home or building's occupancy and use. Second, building high performance buildings is typically more labor and material intensive than structures that are inefficient, resulting in more job creation—the tradeoff being money is directed toward local jobs and contractors instead of going overseas to purchase fossil fuel.

Some homes in Hawai'i are already net zero energy homes. Blue Planet's Hawai'i Home Energy Makeover TV special demonstrated how simple changes could reduce a Nanakuli family's \$600 monthly energy bill by 50% and demonstrated how to make a Kalihi home net zero energy. The Kalihi home uses LED lighting and photovoltaic energy system. More and more homes will be moving toward net zero energy as the clean energy technology improves and the price of fossil-based electricity increases.

The net zero energy capable home policy essentially sets out a requirement that future homes be built about 45% to 55% more efficient than today's efficient models. That way, the rest of the energy demand can be handled with on-site renewable generation, such as a photovoltaic (PV), in the near-future as system prices become more affordable. While this policy would result in higher new home construction costs, the energy savings over the life of the mortgage would more than repay the initial investment—while providing the option of eliminating the monthly bill altogether.

Through this policy, Hawai'i will benefit from a reduction in the projected energy demand with minimal additional costs to the state. Further, this policy leads to the growth of local energy efficiency and renewable energy capacities in the development and construction industries.

Thank you for the opportunity to testify.



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 2521-HD1

TESTIMONY IN STRONG SUPPORT

Aloha Chair Herkes, 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, while advancing the state's energy goals. The proposal is, in essence, to require developers to design the most cost effective energy efficiency measures into new home construction. These will complement mandatory solar water heating systems and leave homeowners that wish to become net zero energy down the line with a limited challenge to meet in getting there.

The homeowner will benefit both from a much lower electric utility bill immediately and, if they later choose a renewable energy system, will benefit further by reducing the cost of this system. Meanwhile, the state benefits by making Energy Efficiency Portfolio Standards more attainable and by reducing the need to rely on imported fuel sources that leave Hawaii vulnerable to disruptions in supply. In sum, HSEA believes that his bill accurately splits the difference between adding modest cost to a new home and delivering substantial benefit to the future occupant o that home.

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.



100 Kahala Avenue
Molokai, Hawaii 96780-3907
P.O. Box 808000
Molokai, Hawaii 96780-8000
Oahu: (808) 548-4811 • Fax: (808) 548-2080
Lana'i: (808) 365-3000 • Fax: (808) 365-3312

Harry S. Saunders
President

Fax Submittal: 586-6621
Email Submittal: CPCtestimony@Capitol.hawaii.gov

Testimony by Harry Saunders
President, Castle & Cooke Hawai'i
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 Hawai'i. 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
rmirikitani@castlecooke.com
548-4890

Carleton Ching, Vice President – Community and Government Relations
Castle & Cooke Hawai'i
cching@castlecooke.com
548-3793

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 10, 2010

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

Dear Chair Herkes and Members:

Subject: House Bill No. HB 2521, HD 1 Relating to Net Zero Energy Capable Construction

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 is strongly opposed to H.B. No. 2521, HD 1.

The bill proposes to amend Chapter 46-19.6 HRS to require all new single-family residential construction, after January 1, 2015, be designed to a “net zero energy capable design.”

In this bill, "Net zero energy capable design" means a structure that is thirty-five per cent more efficient based upon performance-based design or prescription-based design.

The intent of this legislation appears to be the goal established by the Hawaii Clean Energy Initiative which is seventy per cent clean energy by 2030.

Net zero energy capable design refers to single-family shelter units that are sufficiently energy efficient that it is less expensive to generate on-site renewable energy than it is to further increase the energy efficiency of the unit.

We are 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).

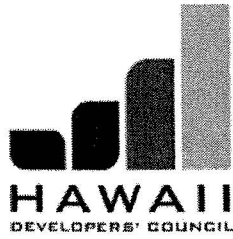
If the goal was really to significantly reduce our 90% dependency on imported oil, wouldn't it have made more of an impact on our energy dependency to require all existing housing units (approximately 491,000 as of July 2005) to convert to solar water heaters or install a photovoltaic system, as opposed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

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. Compliance with these types of regulations will increase the cost of any "new" home in Hawaii, significantly impact the delivery of affordable housing units, and exclude the largest segment of the market, the existing residential units.

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

A handwritten signature in cursive script that reads "Karen I. Nakamura".

Chief Executive Officer
BIA-Hawaii



February 10, 2010

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

Dear Chair Herkes and Members:

Subject: House Bill No. HB 2521, HD 1 Relating to Net Zero Energy Capable Construction

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 is strongly opposed to H.B. No. 2521, HD 1.

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