



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. 2521

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Date 2/1

Time 10:52

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Dear Chairs Morita and Cabanilla, and Members:

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

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 S.B. No. 2521.

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 sufficiently energy efficient such that it is less expensive to install and generate on-site renewable energy than it is to implement further increases in the energy efficiency of the structure.

The bill contains no discussion of the intent or need for this bill. It is unclear what problem is being solved or what the public policy decision is being served by this bill.

It does appear however that this is 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 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 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.