

SB 241, SD1



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

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
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
**SENATE COMMITTEE ON
TRANSPORTATION, INTERNATIONAL & INTERGOVERNMENTAL AFFAIRS**
Wednesday, February 25, 2009
1:45 p.m.
State Capitol, Conference Room 224

in consideration of
SB241,SD1
RELATING TO ENERGY.

Chair English, Vice Chair Gabbard, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) does not support SB241,SD1, which mandates the use of cool roofs conforming to Energy Star performance standards on all new residential and commercial construction in Hawaii beginning in 2011. SB241,SD1, also directs all counties to adopt and enforce rules, ordinances, and guidelines and to take all reasonable actions to implement and enforce this new provision. This bill charges the Energy Resources Coordinator with reviewing requests for variances and with issuing detailed findings that the cool roof will or will not significantly reduce the energy consumption of the building. DBEDT has neither the financial nor the personnel resources to conduct such reviews and issue such findings.

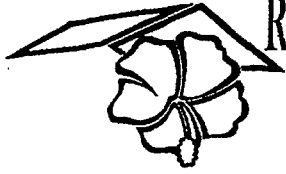
While DBEDT supports the use of cool roofs, we have strong reservations about such a sweeping mandate affecting "any new construction of a residential structure, including single-family and multi-family residential properties, and any new construction of a

commercial structure, including construction for businesses of any kind". California's cool roof law resulted in the creation of a large Cool Roof Rating Council whose members are required to perform myriad time-consuming duties in order to fairly enforce the law.

We support the cool roof provisions in SB871, our omnibus Administration measure developed in support of the Hawaii Clean Energy Initiative, which proposes that the Public Benefits Fee Administrator consider costs and benefits of requiring cool roof standards as one of the energy efficiency measures under an active program to utility rate payers.

Therefore, we propose that the analysis and evaluation by the Public Benefits Fee Administrator be allowed to take place before any mandatory measures are imposed.

Thank you for the opportunity to offer these comments.



ROOFING CONTRACTORS ASSOCIATION OF HAWAII

820 Mililani Street, Ste. 810, Honolulu, Hawaii 96813
Phone (808) 537-1224 ♦ Facsimile (808) 533-2739

February 25, 2009

Testimony To: Senate Committee on Transportation, International and Intergovernmental Affairs
Senator J. Kalani English, Chair

Presented By: Tim Lyons, CAE
Executive Director

Subject: S.B. 241, SD 1 – RELATING TO ENERGY

Chair Sakamoto, Chair Gabbard and Members of the Joint Committees:

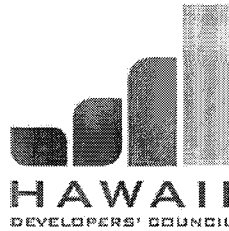
I am Tim Lyons, Executive Director of the Roofing Contractors Association of Hawaii and we are in overall support of this bill.

We must however, tell you that we have no consensus from our membership or total agreement. Some members subscribe to the theory that the legislature should provide incentives for people to install "cool roofs" including tax credits and any other means available. Others subscribe to the theory that it should be mandatory. Our concern is that we don't know where the technology will be in 2011 when this mandatory system is reported to take effect. Like most environmentally sensitive products, they cost more and that is a policy decision on your part, as to what you want to establish at a minimum that consumers should pay. We do not object however, to the passage of the bill.

We would like to suggest deletion of Section – 3(b) because it does not fit. Photovoltaic and cool roofs go in the same place generally but are for different purposes and one does not need to offset the

other. You would still want those portions of the roof not covered by a PV or solar system to be material that is a "cool roof". Cool roof is an assembly not a specific area.

Thank you.



February 6, 2009

Senator J. Kalani English, Chair
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS
State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Senator English:

Subject: Senate Bill No. 241, SD1, Relating to Energy

My name is Dean Uchida, Vice 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.

The bill passed out of the first two Senate Committees with only minor changes being made.

The HDC is opposed to bills such as SB 241 that "Mandates" citizens to build in a certain way in the interest of energy conservation. The bill states that the use of cool roofs will facilitate a decrease in dependency on foreign oil by the State and assist in reaching the goal of producing seventy per cent of the State's energy from clean sources by 2011.

No one disagrees with the intended goal of moving the state toward becoming more energy self sufficient. The concern is in the manner our elected leaders are choosing to accomplish this goal. Furthermore, it appears to be unrealistic to state that our goal is have 70% of our energy from clean sources in 2 years (2011).

As was the case last session, this bill does clearly or realistically identify the specific problem or problems that need to be addressed through the proposed legislation. If the underlying intent is to encourage more energy efficient perhaps the proposed legislation should be expanded to include an assessment and analysis that clearly articulates the criteria for assessing and measuring the intended outcomes of the proposed legislation.

In other Cities or municipalities, government has led by example by "Mandating" that all government projects achieve a certain green or sustainable design standard. In so doing, the design professionals and contractors in these Cities were educated and developed the necessary hands on experience to build a green or sustainable project. AFTER the design professionals

and contractors gained this experience, there were incentives created based on their hands on experience, to encourage the private projects to incorporate green or sustainable design. People were able to see that costs and benefits of changing behavior and moving toward more energy efficiency.

If this is such a great program to move us to clean energy, than government should lead by example. Is the legislature prepared to "Mandate" that all new and existing government facilities have "cool roofs" by 2011?

While we see interest in the market moving toward more energy efficiency and sustainable designs, we believe there is much more that needs to be done before public policy makers "Mandate" any more "green or sustainable" legislation.

We strongly encourage that SB 241, SD1 be held.

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

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 25, 2009

Senator J. Kalani English, Chair
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS
State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Senator English:

Subject: Senate Bill No. 241, SD1, Relating to Energy

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.

The bill passed out of the first two Senate Committees with only minor changes being made.

BIA-HAWAII is opposed to bills such as SB 241 that "Mandates" citizens to build in a certain way in the interest of energy conservation. The bill states that the use of cool roofs will facilitate a decrease in dependency on foreign oil by the State and assist in reaching the goal of producing seventy per cent of the State's energy from clean sources by 2011.

No one disagrees with the intended goal of moving the state toward becoming more energy self sufficient. The concern is in the manner our elected leaders are choosing to accomplish this goal. Furthermore, it appears to be unrealistic to state that our goal is have 70% of our energy from clean sources in 2 years (2011).

As was the case last session, this bill does clearly or realistically identify the specific problem or problems that need to be addressed through the proposed legislation. If the underlying intent is to encourage more energy efficiency, perhaps the proposed legislation should be expanded to include an assessment and analysis that clearly articulates the criteria for assessing and measuring the intended outcomes of the proposed legislation.

In other Cities or municipalities, government has led by example by "Mandating" that all government projects achieve a certain green or sustainable design standard. In so doing, the design professionals and contractors in these Cities were educated and developed the necessary hands on experience to build a green or sustainable project. AFTER the design professionals and contractors gained this experience, there were incentives created based on their hands on experience, to encourage the private projects to incorporate green or sustainable design. People were able to see that costs and benefits of changing behavior and moving toward more energy efficiency.

If this is such a great program to move us to clean energy, than government should lead by example. Is the legislature prepared to "Mandate" that all new and existing government facilities have "cool roofs" by 2011?

While we see interest in the market moving toward more energy efficiency and sustainable designs, we believe there is much more that needs to be done before public policy makers "Mandate" any more "green or sustainable" legislation.

We strongly encourage that SB 241, SD1 be held.

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

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

Chief Executive Officer
BIA-Hawaii



The REALTOR® Building
1136 12th Avenue, Suite 220
Honolulu, Hawaii 96816

Phone: (808) 733-7060
Fax: (808) 737-4977
Neighbor Islands: (888) 737-9070
Email: har@hawaiiirealtors.com

February 5, 2009

Senator Kalani J. English
Chair, Committee on Transportation International
and Intergovernmental Affairs
Hawaii State Capitol, Room 205
Honolulu, Hawaii 96813

RE: S.B. 241, S.D. 1 Relating to Energy

HEARING: Wednesday, February 25, 2009 at 1:45 p.m.

Aloha Chair English and Members of the Committee:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR") and its 9,600 members in Hawai'i. HAR **opposes** S.B. 241 S.D.1, which mandates the use of cool roofs on all new construction beginning January 1, 2011.

HAR is opposed to the proposed mandate for all new residential and commercial construction to be installed with cool roof materials. The cost of cool roofing materials is higher than traditional roofing materials. Similar to the mandate for solar water heaters, a cool roof mandate will continue to increase the already high cost of homes.

Even assuming that a person pays \$80,000 down on a new \$400,000 home with a 6.5 percent, 30-year fixed-rate loan, a homeowner's monthly payment would be \$2,022. The required addition of any energy-efficient features will further increase the base price of a home, continuing to make homeownership a challenge for many in Hawai'i. For these reasons, HAR opposes this bill.

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.



**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS**

**February 25, 2009 at 1:45 p.m.
State Capitol, Conference Room 224
Honolulu, Hawaii 96813**

Subject: Senate Bill No. 241, SD1, Relating to Energy

Chair English, Vice Chair Gabbard and members of the committee:

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 bill passed out of the first two Senate Committees with only minor changes being made.

The Chamber of Commerce of Hawaii is opposed to bills such as SB 241 that "Mandates" citizens to build in a certain way in the interest of energy conservation. The bill states that the use of cool roofs will facilitate a decrease in dependency on foreign oil by the State and assist in reaching the goal of producing seventy per cent of the State's energy from clean sources by 2011.

No one disagrees with the intended goal of moving the state toward becoming more energy self sufficient. The concern is in the manner we are choosing to accomplish this goal. Furthermore, it appears to be unrealistic to state that our goal is to have 70% of our energy from clean sources in 2 years (2011).

As was the case last session, this bill does not clearly or realistically identify the specific problem or problems that need to be addressed through the proposed legislation. If the underlying intent is to encourage more energy efficient perhaps the proposed legislation should be expanded to include an assessment and analysis that clearly articulates the criteria for assessing and measuring the intended outcomes of the proposed legislation.

In other Cities or municipalities, government has led by example by "Mandating" that all government projects achieve a certain green or sustainable design standard. In so doing, the design professionals and contractors in these Cities were educated and developed the necessary hands on experience to build a green or sustainable project. AFTER the design professionals and contractors gained this experience, there were incentives created based on their hands on experience, to encourage the private projects to incorporate green or sustainable design. People

were able to see that costs and benefits of changing behavior and moving toward more energy efficiency.

If this is such a great program to move us to clean energy, than government should lead by example. Is the legislature prepared to "Mandate" that all new and existing government facilities have "cool roofs" by 2011?

While we see interest in the market moving toward more energy efficiency and sustainable designs, we believe there is much more that needs to be done before we "Mandate" any more "green or sustainable" legislation.

We strongly encourage that SB 241, SD1 be held.

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

Statement of Leslie Cole-Brooks

Transportation and International Affairs

Wednesday, February 25, 2009

1:45 P.M.

Capitol Room 224

In consideration of

SENATE BILL 241

RELATING TO ENERGY CONSERVATION

Chair English and members of the committee,

I support the cool roof proposal and believe it will be an effective next step towards energy conservation. Although the Hawai'i code council has adopted the 2006 International Energy Conservation Code, no implementation date has been set. In addition, although Honolulu and Maui County currently have a residential building code that allows a cool roof as an alternative, the code only uses R-19 equivalents and is voluntary in all other counties.

I support the cool roof bill with the following amendments:

1. Expand "cool roof" definition to include all roofing materials that have a solar reflectance of at least 0.25 for steep sloped buildings, and 0.65 for low sloped buildings.
2. Allow a radiant barrier installed as per recommended manufacturers specifications in the circumstances where a cool roof version is not available in a specific roofing material. For instance, a radiant barrier may be used in combination with a cedar shingle roof as cedar shingles do not come in a cool roof version.

I support the cool roof bill for the following three reasons:

Cool Roofs are easy to install and come in a variety of choices

a. Installation same as a standard roof

The installation of cool roofs requires no special equipment or training. Cool roof materials are simply roofing materials that effectively reflect sunlight and emit any trapped heat so that less heat is absorbed into the structure. Any roofer who can install a standard roof can install a cool roof without additional training or any other kind of preparation.

b. Cool roofs come in a variety of material types

Cool roofing materials range from ceramic tile in a range of colors, metal roofs, and roll on roofing material that is used in commercial buildings. Although some of the first cool roofing materials were white, and were called "white roofs," that is no longer the case and the

client/builder/designer now may choose from a range of colors and materials that will satisfy the cool roof standard mandated in the cool roof proposal.

Cool roofs are cost effective and will cost the state nothing

a. The payback period is short

Cool roofs are generally more expensive than standard roofing material, but there are several financial benefits to cool roofs that would offset any additional cost. First, cool roofs reduce cooling costs 5-15%, depending upon building design, climate, and overall energy use. For instance, for a standard 1,000 square foot single-family residence, installing a cool roof would add an additional \$500 onto the cost of the roof, but cooling costs would be reduced and would pay for the roof within 3-7 years, based on current energy costs. Cool roofs also tend to be more enduring than the standard 30-year roof because the roof material is not subject to the same degree of expansion and contraction from heating, a major factor in the weathering process of roofs.

b. Cool Roofs reduce the heat island effect

The installation of cool roofs reduces the overall heat gain in urban areas that is produced when heat is concentrated in buildings and infrastructure such as roads, sidewalks, and parking areas. The EPA has estimated that steadily increasing temperatures in the last several decades accounts for 3-8% of the current energy demand. Cool roofs would reduce the standard roof's contribution to the heat island effect and thus lower the overall need for cooling in urban areas.

c. Cool Roofs offset the cost of additional power generation

Cool roofs on all new construction would off-set costs of additional energy generation, a critical area of concern as oil prices continue to fluctuate, and the world's oil reserves are increasingly depleted. Finally, the cool roof proposal does not burden the state with additional costs through tax rebates or other incentive programs in these lean economic times.

The Cool Roofs proposal builds upon prior legislation

The Cool Roof proposal builds upon the solar hot water legislation Act 204 (SB 644) which mandates that solar hot water heaters be installed on all new residential single-family construction beginning 2010. Act 204 will facilitate the implementation of cool roofs in several ways. First the Cool Roofs proposal shares many of the same components as Act 204, including special allowances for shadier or cooler zones in Hawaii that may not benefit from solar hot water or cool roofing materials. Both bills also use the same "energy resource manager" to approve an exemption, and both bills verify implementation through the building inspection process overseen through the department of public works. The target date for implementation for cool roofs is 2011, one year after the implementation of Act 204. This will allow all interested parties to become familiar with the new legislation and aid in a smooth transition.

Thank you for the opportunity to provide this testimony.