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Via Capitol Website

March 25, 2010

House Committee on Finance
Hearing Date: Thursday, March 25, 2010 at 10:00 a.m. in CR 308

Testimony in Opposition to SB 2563 SD1, HD1
Relating to Energy Efficiency
(DBEDT to collect fees for Solar Mandate Program)

Dear Honorable Chair Marcus Oshiro, Vice Chair Marilyn Lee and Members of the House Finance Committee,

My name is David Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

While LURF and its members support and employ Hawaii's goal to increase energy efficiency and achieve the goal of using alternative fuels to meet the 30% of highway fuel demand by 2030, we must testify **in strong opposition to the current version of SB 2563, SD1, HD1, which would impose and collect additional fees for the administration of the solar water heater system for new residences program.**

SB 2563, SD1, HD1. The purported purpose of this bill is to increase energy efficiency goal by adding the attainment of a statewide alternate fuel standard of thirty percent by 2030, thus expanding the current goals of 2010, 2015 and 2020. However, in reaching these goal, the burden is being placed on the new homeowner by imposing increased fees and costs for a program also mandated by new government regulation.

SB 2563, SD1, HD1 amends Section 196.62 of the Hawaii Revised Statutes by adding a new fee for all variance applications of the new solar water heater system requirement for all new single family residence construction as follows:

(c) The director of business, economic development, and tourism shall adopt rules pursuant to chapter 91 to impose and collect fees to cover the costs of administering the program under this section. The fees shall be deposited into the energy security special fund established under section 201-12.8.

LURF's Position. While we agree that we, as a community, should work to conserve more energy, we believe that the administration of any new government mandates, particularly the solar water heater mandate on all new single family residential construction, should not be placed on the new homeowner who is already facing increased housing and cost of living expenses.

The grounds for our objections include, among other things, the following:

- The administration of this government regulated solar mandate program should be paid for by all taxpayers and not only new homeowners who had no choice in whether or not solar water heaters were to be required, there is no need for any additional regulation or increased costs to new homeowners;
- These additional fees will increase the sales prices of homes in Hawaii since the cost of a cool roof and installation will be "passed-on" to the new homebuyers.
- The increased sales prices caused by this bill will adversely impact the ability of new homebuyers to qualify for mortgage loans.
- Government should be proposing incentives to encourage implementation of renewable energy alternatives, not mandates.

Thank you for the opportunity to express our concerns on this matter.