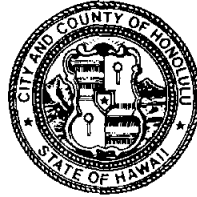


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honoluluudpp.org • CITY WEB SITE: www.honolulu.gov

LATE

KIRK CALDWELL
MAYOR



GEORGE I. ATTA
FAICP, LEED AP, CEI
DIRECTOR DESIGNATE

JIRO A. SUMADA
DEPUTY DIRECTOR

February 26, 2013

The Honorable David Y. Ige, Chair
and Members of the Committee on Ways and Means
State Senate
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Ige and Members:

Subject: Senate Bill No. 16, SD 1
Relating to Energy Resources

The Department of Planning and Permitting, **opposes** Senate Bill No. 16, SD 1. This bill would require the counties to receive and process waiver applications for installation of solar water heating systems.

The State Energy Resources Coordinator, who is processing these waivers now, not the county, should have the responsibility to process solar water heating system waiver applications on new single family construction. Therefore, to impose the administration of this requirement upon the county, simply because they are closer to the particular conditions of the various geographic and climate peculiarities of their respective counties is inappropriate. The counties do not have the technical expertise to determine whether climate or geographic waivers should be granted to an applicant. These parameters and criteria should be established by the State agency that mandates these requirements.

Article VIII, Section 5, of the Constitution of the State of Hawaii, mandates that if a new program or increase in the level of service under an existing program is mandated to any of the political subdivisions by the legislature, the State shall fund the mandate. The determination of these waivers involves the additional creation of rules and procedures as well as an increase in the level of service to process waivers. As such, the State is obligated to provide cost sharing for development of both the technical provisions of these waivers as well as the administrative cost to implement this waiver process.

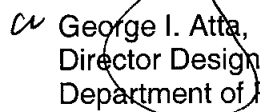
The City and County of Honolulu has experienced additional costs and demands upon its building permit services due to the alternate energy incentives which have affected the ability of this county to service all building permits issued. Most notably are the requirements to process the building permits for photovoltaic installations, which by themselves exceed the total volume of building permits issued in a typical year. In short, the increased level of demands by

The Honorable David Y. Ige, Chair
and Members of the Committee on Ways and Means
State Senate
Re: Senate Bill 16, SD 1
February 26, 2013
Page 2 of 2

contractors and the public far exceeds the capabilities of county permitting to meet the deadlines and requirements established by State Policy and procedure.

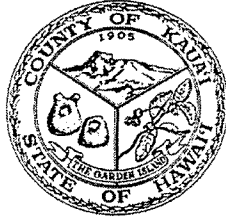
Please hold Senate Bill No. 16, SD 1. Thank you for this opportunity to testify.

Very truly yours,

 George I. Atta, FAICP, LEED AP, CEI
Director Designate
Department of Planning and Permitting

GIA:jmf
Sb16sd1-Energy Resources-t

Bernard P. Carvalho, Jr.
Mayor



LATE

Larry Dill, P.E.
County Engineer

Gary K. Heu
Managing Director

Lyle Tabata
Deputy County Engineer

DEPARTMENT OF PUBLIC WORKS

County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 275, Līhu'e, Hawai'i 96766
TEL (808) 241-4992 FAX (808) 241-6604

February 25, 2013

The Honorable David Y. Ige, Chair
And Members of the Committee on Ways and Means
Hawai'i State Senate
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Subject: Senate Bill No. 16, SD 1, Relating to Energy Resources

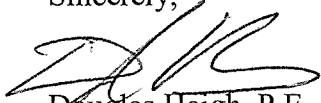
Dear Chair Ige and Members:

The County of Kaua'i Building Division, Department of Public Works **opposes** Senate Bill No. 16, SD1. This bill would require the counties to receive and process waiver applications for installation of solar water heating systems.

The Building Division does not have the expertise or professional qualifications to manage the transferred responsibilities of approving solar water heating system waivers. To properly implement this added regulatory requirement would require additional personnel. While the bill allows for establishments of fees to help cover such work for waivers, any reasonable fee amount collected would not be adequate for hiring the required personnel.

Thank you for the opportunity to submit this testimony in opposition to SB 16.

Sincerely,


Douglas Haigh, P.E.
Building Division Chief

COUNTY COUNCIL

Jay Furfaro, Chair
Nadine K. Nakamura, Vice Chair
Tim Bynum
Gary L. Hooser
Ross Kagawa
Mel Rapozo
JoAnn A. Yukimura

LATE



OFFICE OF THE COUNTY CLERK

Ricky Watanabe, County Clerk
Jade K. Fountain-Tanigawa, Deputy County Clerk

Telephone (808) 241-4188
Fax (808) 241-6349
Email cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 25, 2013

TESTIMONY OF GARY L. HOOSER
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON

S.B. NO. 16, S.D. 1, RELATING TO ENERGY RESOURCES
Committee on Ways and Means
Tuesday, February 26, 2013
10:05 a.m.
Conference Room 211

Dear Chair Ige and Committee Members:

Thank you for this opportunity to submit testimony in support of S.B. No. 16, S.D. 1. My testimony is submitted in my capacity as an individual member of the Kaua'i County Council.

S.B. No. 16, S.D. 1 requires the appropriate County Permitting Agency to receive and process Solar Water Heating variance/waiver applications as part of the Building Permit process. Additionally, the County Councils are required to collaborate with the Agency in establishing procedures and standards.

Supporting this bill will simplify and efficiently expedite the review process for Solar Water Heating variance/waiver applications, as it will be incorporated into the Building Permit process and administered by the appropriate County Permitting Agency. The Counties are also able to establish procedures and standards which conform to existing County Ordinances and developed based on the unique aspects of each County.

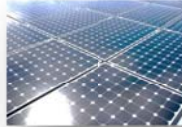
Passage of S.B. No. 16, S.D. 1 will further ensure maximum compliance with the spirit and intent of Hawai'i's "first in the Nation" Solar Hot Water Mandate.

For the reasons stated above, I respectfully request your support for this measure. Again, thank you for this opportunity to submit testimony.

Sincerely,

GARY L. HOOSER
Councilmember, Kaua'i County Council

AB:cy



SENATE COMMITTEE ON WAYS AND MEANS

February 26, 2013, 10:05 A.M.

Room 211

(Testimony is 3 pages long)

TESTIMONY IN SUPPORT OF SB 16 SD1, SUGGESTED AMENDMENT

Chair Ige members of the Ways and Means Committee:

The Blue Planet Foundation supports SB 16 SD1, a measure making amendments to Hawaii's historic Solar Roofs Act, with the primary amendment transferring the variance approval process to from the State Energy Resources Coordinator to the county building permit authority. We support this change—with clear guidance in statute on allowable variances—and hope that the county building departments will exercise greater scrutiny over the approval process.

Blue Planet believes that the variance option should only be exercised in rare circumstances where solar doesn't make sense or is not cost effective. **Therefore, we respectfully request that SB 16 SD1 be amended to allow a variance for gas water heating only if the home has poor solar resource and solar would fail the cost-effectiveness test.** Gas would be an option only if solar is deemed impractical or not cost-effective. *A proposed amendment is provided at the end of this testimony.*

The 2008 Solar Roofs Act, Act 204, was a critical step forward toward Hawaii's clean energy future as it ensures that nearly every new home will be equipped with a solar water heater. Since taking effect in 2010, the law has over doubled the percentage of new homes being built with solar water heaters. While Blue Planet strongly supports the existing law, we believe that it could be significantly improved.

Unfortunately, far too many homes are being built with gas water heaters. Blue Planet Foundation analyzed the variance request information tracked by the Energy Resources Coordinator. Between the time the law took effect in January, 2010, and the beginning of February, 2013, a total of 1420 variances from the solar water requirement have been sought.

- Of the 1420 variance applications, over 99% (1408) have been approved. The majority of those denied were due to incomplete applications. Three requests were cancelled.
- Three architects were responsible for over 50% (710) of the total variances requested.

- One architect, Robert Smelker, alone was responsible for over 38% (541) of the variances requested. He was only denied once (incomplete application).
- Over two-thirds (947) of the total variances were requested on Hawaii Island.
- Of those variances granted, over 95% were for gas heaters, 3% had another renewable energy device, and about 1% were deemed “impractical” for solar.

The history of variance granting by the State Energy Resources Coordinator suggests that the intent behind the Solar Roofs policy is being frustrated. In clarifying amendments in 2009 (HB 1464 CD1), the legislature was unambiguous about the original policy’s intent:

It is the intent of the legislature that the variances provided for in Act 204, Session Laws of Hawaii 2008, (Act 204) will be rarely, if ever, exercised or granted because the burden of proof will lie with the applicant to demonstrate that a solar water heater system, regardless of location or circumstance, is not cost effective in the context of a thirty-year mortgage term.

Further, the developer is often installing the gas heaters without the knowledge of the preferences of the ultimate homeowner. The amendments proposed in SB 16 SD1 will extend the solar roof requirement to duplexes as well as ensure greater accountability in the variance process currently in place.

Solar water heating is a foundation block in building Hawaii’s clean energy future. A solar water system is the most basic renewable energy device to harness the clean energy from the sun. The technology is mature, tested, and works (the Romans, in fact, used solar energy to heat the water flowing to baths in aqueducts). Solar water heaters provide the greatest energy savings per dollar for reducing substantial residential energy demand. The Solar Roofs Act ensures that the vast majority of new homes come equipped with this clean energy device, and helps to smooth the transition toward zero-energy homes of the future.

Solar water heating is the single best “clean” energy alternative for residences in Hawai’i. The Solar Roofs law increases the efficiency and affordability of new homes built in Hawai’i. Solar water heaters are among the most effective means of reducing the high electricity cost burden that residents now endure. The solar roofs bill makes the cost of living more affordable by slashing the electric utility bill of an average new home by 30 to 40 percent—saving upwards of \$1000 annually for an average household statewide.

With average household use, most solar water heaters will pay for themselves in energy savings between 3 and 7 years. When systems are built into a home during construction—and when many systems are installed simultaneously in a larger subdivision and economies of scale are realized—solar water heaters are less expensive than an electric heater retrofit. When rolled

into a 30-year mortgage, homeowners with solar will start saving money on day one. Even with other financing schemes, solar is a no-brainer investment that brings down the monthly cost of living. If current trends continue, the cost of residential electricity will continue to grow, making electric water heating even more expensive—and solar water heating more of a “no-brainer.”

The cost of living is a top-of-mind issue for many in Hawai'i. The Solar Roofs law makes new home ownership more affordable by reducing the monthly utility burden. The amendments in SB 16 SD 1 ensure that the more benefit from the solar requirement and transfers the decision to exempt developers or homeowners from this requirement to the county building permit departments.

Thank you for the opportunity to testify.

SUGGESTED AMENDMENT

§196-6.5 Solar water heater system required for new single-family residential construction. (a) On or after January 1, 2010, no building permit shall be issued for a new single-family dwelling or duplex that does not include a solar water heater system that meets the standards established pursuant to section 269-44, unless the [~~coordinator~~] appropriate county permitting agency approves a variance. A variance application shall only be accepted if submitted by an architect or mechanical engineer licensed under chapter 464, who attests that:

- (1) Installation is impracticable due to poor solar resource;
- (2) Installation is cost-prohibitive based upon a life cycle cost-benefit analysis that incorporates the average residential utility bill and the cost of the new solar water heater system with a life cycle that does not exceed fifteen years;
- (3) A renewable energy technology system, as defined in section 235-12.5, is substituted for use as the primary energy source for heating water; or
- (4) A demand water heater device approved by Underwriters Laboratories, Inc., is installed; provided that at least one other gas appliance is installed in the dwelling **and the first or second variances in subsection (a) (1) and (a) (2) of this section are met.** For the purposes of this paragraph, "demand water heater" means a gas-tankless instantaneous water heater that provides hot water only as it is needed.



Tuesday, February 26, 2013 10:05 A.M.
State Capitol, Conference Room 211
SENATE COMMITTEE ON WAYS AND MEANS

Testimony in opposition of SB 16 SD1

Chair Ige, Members of the Senate Committee on Ways and Means, my name is Joe Boivin and I am the Senior Vice President for Public Affairs and Communications at HAWAII'IGAS testifying in opposition of SB 16 SD1. HAWAII'IGAS is the only franchised gas utility in the state of Hawai'i, providing gas service to over 70,000 utility and tank and bottled gas customers throughout the state.

SB 16 SD1 allows the county permitting agencies, rather than the Department of Business Economic Development and Tourism, to approve solar water heating variance applications and also allows each county council to establish its own procedures and standards for approving or denying a variance application. HAWAII'IGAS opposes letting each county council set its own procedures and standards for the approval of an application for a waiver. Letting each county sets its own procedures, will likely result in confusion and delays in the variance process. There is also no timeline for establishing the procedures and standard for the variances, which will further confuse and delay the process. If the bill passes as written, homebuilders seeking a variance will be stuck waiting for each county council to pass its own set of rules. In order to avoid this confusion and delay, HAWAII'IGAS recommends amending the bill to allow county permitting agencies to approve the variance applications, but keep the current approval process in place. As pointed out by the Maui County Department of Public Works in their previous testimony opposing SB 16 and county council involvement in the

variance process, “State law already sets up the criteria for variance (waiver) approval which is technical in nature, and could be adapted into existing building, plumbing, or electrical permit applications.” Thank you.



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: psgegen@hotmail.com
Subject: Submitted testimony for SB16 on Feb 26, 2013 10:05AM
Date: Monday, February 25, 2013 9:18:36 AM

SB16

Submitted on: 2/25/2013

Testimony for WAM on Feb 26, 2013 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
patrick Gegen	Individual	Support	No

Comments: I believe that this would improve compliance and help Hawaii move closer to the goals identified in HCEI. Thank You.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tabraham08@gmail.com
Subject: Submitted testimony for SB16 on Feb 26, 2013 10:05AM
Date: Monday, February 25, 2013 9:54:42 PM

SB16

Submitted on: 2/25/2013

Testimony for WAM on Feb 26, 2013 10:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments: i support urgent passage of the bill

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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