



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Before House Committee on Consumer Protection & Commerce

Wednesday, March 12, 2014

SB 2801 HD 1: RELATING TO CERTIFICATION OF GAS TANKLESS WATER HEATERS

Aloha Chair McKelvey and Chair Kawakami and members of the Committee,

On behalf of the Hawaii Solar Energy Association (HSEA), I would like to testify in support for SB 2801, which requires certification of gas tankless on-demand water heaters from a North American certification organization to include the Canadian Standards Association International; the Air-Conditioning, Heating, and Refrigeration Institute, or the Gas Alliance manufacturers Association certification Program which list certified products and models. HSEA is a non-profit trade organization that has been advocating for solar energy since 1977, with an emphasis on residential distributed generation and commercial for both solar hot water (SHW) and photovoltaics (PV). We currently represent 81 companies, which employ thousands of local employees working in the solar industry. With 37 years of advocacy behind us, HSEA's goal is to work for a sustainable energy future for all of Hawaii.

Solar hot water heaters have proven to be beneficial in a number of ways. First, for the average electric bill, 30-35% of the bill goes to pay for the heating of water, and for a family of three or more the payback for the solar hot water heater is approximately 2 years, depending upon use. After that, the owner pays nothing to heat water as the solar hot water heater will continue to work for years to come. In addition, solar hot water does not need grid access as it does not produce electricity and therefore can be installed without waits or costly upgrade costs. The cost savings is especially true for those living in duplexes, who might find paying their rising and unpredictable electric bill especially onerous.

Yet, the exemption to allow for a tankless gas water heater is frequently used, and this bill addresses this issue in that it ensures that the exemption and product is based upon an informed choice about the tankless water heater. As currently written, the law requires that the specifications and performance of the tankless water heater be approved by Underwriter Laboratories, Inc., but Underwriter Labs may not have specific information on all tankless products. This amendment would therefore provide the consumer with more information and allow for a more informed choice should the customer wish to opt-out of installing solar hot water.

However, HSEA does not support the proposed amendment HD 1 which includes non-gas tank-less water heaters as part of the exemption provided. To include this amendment would circumvent the original intent of the statute which is to replace electric water heaters with solar where applicable.

Thank you for the opportunity to testify
Leslie Cole-Brooks
Executive Director, HSEA



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
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

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Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Wednesday, March 12, 2014
2:10 p.m.
State Capitol, Conference Room 325

in consideration of
SB 2801, Proposed HD1
RELATING TO CERTIFICATION OF GAS TANKLESS WATER HEATERS.

Chair McKelvey, Vice Chair Kawakami, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) opposes the Proposed HD1, and prefers SB2801 as proposed. This amendment diverts one of the intents of the original law, HRS 196-6.5, to discourage the use of inefficient electric resistance water heating.

The Administration's original measure (SB2801) is needed to more accurately assure that gas-tankless water heaters still meet performance requirements recognized by a third party, certification organization. It deletes reference to the Underwriters Laboratories, Inc., and inserts references to North American certification organizations, such as the Canadian Standards Association International; the Air-Conditioning, Heating, and Refrigeration Institute; and the Gas Appliance Manufacturers Association Certification Program. SB2801 is needed because Underwriters Laboratories, Inc., lists manufacturers but not the specific product or model numbers of the gas-tankless water heaters. The organizations above test and evaluate gas-tankless water heaters and list which products and models are certified.

The current amendment adds language that is a diversion of the original law which mandates solar water heating in new single family dwellings but permits four options for a solar water heater variance:

1. Installation is impractical due to poor solar resource;
2. Installation is cost-prohibitive;
3. A renewable energy technology system is substituted as the primary energy source for heating water; or
4. A gas demand water heater is installed, along with an additional gas appliance.

The intent was to discourage inefficient electric water heating. The addition of the words, "and non-gas tankless," in this amendment would allow electric water heaters as a solar water heater variance.

Thank you for the opportunity to provide this testimony.