

STAND. COM. REP. NO. 2518

Honolulu, Hawaii

FEB 27 2014

RE: S.B. No. 2657
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which
was referred S.B. No. 2657, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to require:

- (1) A contractor that installs a solar energy device on a roof that is a common element or limited common element to notify the private entity that installation might void the roofing warranties or guarantees and obtain written approval from the roofing manufacturer and follow written instructions for waterproofing roof penetrations from the roofing manufacturer, unless the private entity forgoes the roofing warranty or guarantee;
- (2) A roofing contractor that waterproofs roof penetrations related to the installation of a solar energy device to honor the roof warranty or guarantee; and
- (3) The solar energy device contractor's standard labor and workmanship warranty to apply to roof penetrations if the contractor waterproofs the penetrations.

Your Committee received testimony in support of this measure from the Community Association Institute, Hawaii Chapter; Roofing Contractors Association of Hawaii; Hawaii Solar Energy

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Association; Apollo Kauai; and one individual. Your Committee received testimony in opposition to this measure from the Hawaiiana Management Company, Ltd.

Your Committee finds that under existing statute, a homeowner who wants to install a solar system on the homeowner's roof must obtain confirmation in writing from the company that issued the warranty for the roof that the installation of the solar energy device will not void the roof warranty. This requirement can be a roadblock for homeowners whose properties fall under the control of a homeowner's association, since most roofing contractors are not willing to warranty the work of another contractor. This also creates a frustrating position for the homeowner, who is unable to obtain confirmation from the roofing contractor and is therefore unable to install a solar energy device.

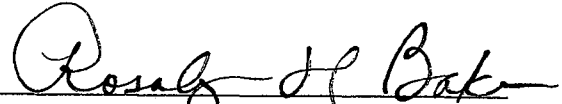
Your Committee further finds that this measure creates a compromise by which a solar energy device contractor may warranty the contractor's own work, with certain notice and approval requirements. However, your Committee has heard the concerns that certain language in this measure that applies a standard labor and workmanship warranty to roof penetrations may have unintended consequences for existing roof warranties. An amendment to this measure is therefore necessary to clarify responsibility for a leaky roof caused by penetrations when a roofing warranty has lapsed at the time a solar energy device is installed.

Accordingly, your Committee has amended this measure to clarify that, for purposes of penetrations for the installation of a solar energy device, if either the roofing contractor's guaranty or the roofing manufacturer's warranty is no longer in effect, then the contractor who installs the solar energy device and waterproofs the penetrations shall apply the contractor's or lessor's standard labor and workmanship warranty.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2657, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

| | | | | |
|--|---------------------|----------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB2057, SDI | ENE, CPN | 2/21/14 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| BAKER, Rosalyn H. (C) | ✓ | | | |
| TANIGUCHI, Brian T. (VC) | ✓ | | | |
| NISHIHARA, Clarence K. | ✓ | | | |
| WAKAI, Glenn | | | | ✓ |
| SLOM, Sam | ✓ | | | |
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| TOTAL | 4 | 0 | 0 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes