

Honolulu, Hawaii

March 31, 2014

RE: S.B. No. 2801
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred S.B. No. 2801 entitled:

"A BILL FOR AN ACT RELATING TO CERTIFICATION OF GAS TANKLESS
WATER HEATERS,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee,
is to permit the acceptance of a variance from the mandatory solar
water heating requirement for single-family dwellings for a demand
water heater device based on approval of the demand water heater
by a North American certification organization, including the
Canadian Standards Association International; Air-Conditioning,
Heating, and Refrigeration Institute; Gas Appliance Manufacturers
Association; or other similar active, recognized, independent,
nonprofit organization dedicated to products standards.

For the purposes of a public hearing on this bill, your
Committee circulated Proposed Draft S.B. No. 2801, H.D. 1, and
notified the public that it would be accepting testimony on the
proposal, which:

- (1) Specifies that a demand water heater device includes
both gas and non-gas tankless instantaneous water
heaters;



- (2) Clarifies that the requirement for another gas appliance in the dwelling applies only to gas tankless water heaters; and
- (3) Applies the requirement for certification of demand water heater devices to both gas and non-gas tankless instantaneous water heaters.

The Hawaii Solar Energy Association testified in support of this measure as it was received by your Committee.

The Department of Business, Economic Development, and Tourism and Hawaii Solar Energy Association testified in opposition to the Proposed Draft.

Your Committee has considered the merits of both S.B. No. 2801, as received by your Committee, and the Proposed Draft, and upon careful consideration, has adopted the Proposed Draft.

Your Committee has amended the Proposed Draft by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the Department of Business, Economic Development, and Tourism testified in opposition to this measure. However, your Committee finds that the amendments added will help alleviate the high cost of housing and provide more construction jobs in the State. Your Committee further notes that although this measure includes standards that may apply to electrical heaters, energy efficient gas tankless heaters will still be the most popular consumer choice because of the reduced energy costs they provide to homeowners.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2801, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2801, H.D. 1, and be placed on the calendar for Third Reading.



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



ANGUS L.K. McKELVEY, Chair



