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# A BILL FOR AN ACT

RELATING TO ENERGY EFFICIENCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Act 204, Session Laws of Hawaii 2008, was  
2 enacted to increase the use of renewable energy to protect the  
3 environment, reduce pollution, make housing more affordable, and  
4 enhance Hawaii's local economy. Act 204 added a new provision,  
5 codified as section 196-6.5, Hawaii Revised Statutes, that  
6 required new homes built after January 1, 2010, to utilize solar  
7 water heating systems except in limited circumstances. This  
8 provision is commonly known as the solar water heater mandate.

9           The legislature finds that the variance provision currently  
10 utilized in the solar water heater mandate is being misused to  
11 circumvent the objectives of Act 204, to the detriment of  
12 consumers and to the State's progress toward its renewable  
13 energy goals. A gas-tankless demand water heater that provides  
14 hot water only as needed is one of the allowable variances to  
15 the mandate and is by far the most requested type of variance.  
16 In Hawaii, the gas used for this type of tankless water heater  
17 is typically derived from fossil fuels.



1           The purpose of this Act is to protect consumers by ensuring  
2 that the variance for a demand water heater may only be granted  
3 if solar water heating is impracticable and cost-prohibitive,  
4 and if no renewable energy technology system can be substituted  
5 for use as the primary energy source for heating water.

6           SECTION 2. Section 196-6.5, Hawaii Revised Statutes, is  
7 amended by amending subsections (a) through (c) to read as  
8 follows:

9           "(a) On or after January 1, 2010, no building permit shall  
10 be issued for a new single-family dwelling that does not include  
11 a solar water heater system that meets the standards established  
12 pursuant to section 269-44, unless the coordinator approves a  
13 variance. A variance application shall only be accepted if  
14 [~~submitted~~] signed by an architect or mechanical engineer  
15 licensed under chapter 464, who attests and demonstrates that:

- 16           (1) Installation is impracticable due to poor solar  
17 resource;
- 18           (2) Installation is cost-prohibitive based upon a life  
19 cycle cost-benefit analysis that incorporates the  
20 average residential utility bill and the cost of the



- 1 new solar water heater system with a life cycle that  
2 does not exceed fifteen years;
- 3 (3) A renewable energy technology system, as defined in  
4 section 235-12.5, is substituted for use as the  
5 primary energy source for heating water; or
- 6 (4) A demand water heater device [~~approved by Underwriters~~  
7 ~~Laboratories, Inc.,~~] is installed; provided that at  
8 least one other gas appliance is installed in the  
9 dwelling[-] and the life cycle cost for the device is  
10 less than a solar water heater system based on the  
11 analysis in paragraph (2). For the purposes of this  
12 paragraph, "demand water heater" means a gas-tankless  
13 instantaneous water heater that provides hot water  
14 only as it is needed.
- 15 (b) A request for a variance shall be submitted to the  
16 coordinator on an application prescribed by the coordinator and  
17 shall include a description of the location of the property and  
18 justification for the approval of a variance using the criteria  
19 established in subsection (a). The coordinator may exercise  
20 discretion in denying any variance application deemed to be  
21 incomplete or insufficient pursuant to the requirements in



1 subsection (a). A variance shall be deemed approved if not  
2 denied within [~~thirty~~] sixty working days after receipt of the  
3 variance application. The coordinator shall publicize:

4 (1) All applications for a variance within seven days  
5 after receipt of the variance application; and

6 (2) The disposition of all applications for a variance  
7 within seven days of the determination of the variance  
8 application.

9 (c) The director of business, economic development, and  
10 tourism may adopt rules pursuant to chapter 91 to impose and  
11 collect fees to cover the costs of administering variances under  
12 this section[-], and to impose fines or penalties for false  
13 attestations in variance applications. The fees, fines, or  
14 penalties if any, shall be deposited into the energy security  
15 special fund established under section 201-12.8."

16 SECTION 3. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect upon its approval.  
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# H.B. NO. 557

**Report Title:**

Solar Water Heaters; DBEDT; Energy Conservation

**Description:**

Amends the criteria for granting a solar water heater system variance. Authorizes the Director of DBEDT to impose penalties and fines for false statements on variance applications.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

