

Honolulu, Hawaii

JAN 31, 2020

RE: H.B. No. 1851  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1851 entitled:

"A BILL FOR AN ACT RELATING TO GRID-INTERACTIVE WATER HEATER SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit the issuance of building permits for new multi-family dwellings that do not include grid-interactive water heater systems beginning on January 1, 2022; and
- (2) Require the Public Utilities Commission (Commission) to establish standards, with certain statutorily identified specifications, for grid-interactive water heater systems.

Your Committee received testimony in support of this measure from 350Hawaii.org, Shifted Energy, and numerous individuals. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii and Building Industry Association Hawaii. Your Committee received comments on this measure from the Hawaii State Energy Office, Department of Commerce and Consumer Affairs' Division of Consumer Advocacy, and Public Utilities Commission.



Your Committee finds that requiring the Commission to establish specified standards for grid-interactive water heater systems addresses possible interoperability issues. At the same time, the technology for these water heater systems is still developing. Statutorily identifying specifications for grid-interactive water heater system standards at this time may limit flexibility in the development of acceptable grid-interactive water heater system technology.

Your Committee has amended this measure by:

- (1) Allowing the Commission to adopt or establish by program, in addition to rule, tariff, or order, standards for grid-interactive water heater systems;
- (2) Requiring that the Commission establish standards for grid-interactive water heater systems to promote the objectives set forth in section 269-124, Hawaii Revised Statutes, instead of establishing statutorily identified specifications to be included in those standards;
- (3) Placing the new section more appropriately in Chapter 269, Hawaii Revised Statutes, which governs the Commission's responsibilities;
- (4) Changing its effective date to July 1, 2050, to encourage further discussion; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1851, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,

*Nicole E. Lowen*

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NICOLE E. LOWEN, Chair



