



Legislative Testimony of Sunrun Inc.  
Before the HOU Committee  
March 14, 2023

**IN SUPPORT of HB217 HD 1 – Relating to Home Renovations**

Dear Chair Chang, Vice Chair Kanuha, and distinguished Members of the Committee on Housing,

Sunrun is the nation’s leading home solar, battery storage and energy services company, and has a long and proud history in Hawai‘i with office and warehouse locations on O‘ahu, Maui, and Hawai‘i Islands. We employ more than 350 professions across the islands, including sales/marketers, customer experience professionals, and installation team members including electrical inspectors, technicians, forepersons and warehouse personnel.

**Sunrun strongly supports HB217 HD1**, which would raise dollar thresholds in HRS 464-13 that establish exemptions from professional stamp requirements for home renovation projects. The current cost valuations in HRS 464-13 have not been updated since 1979, and since that time, the value of the U.S. dollar has inflated by over 300 percent.<sup>1</sup>

Permitting remains one of the most significant barriers to distributed energy resource (DER) expansion, and HB217 would address some of the ongoing permitting challenges for private solar and storage installations. Most small scale solar energy and storage installations on existing structures are retrofits and do not need the same level of scrutiny as new builds. The Solar Energy Industry Association (SEIA) estimates that soft costs make up 60-70% of all residential solar installation costs.<sup>2</sup> This bill is a powerful tool to drive down soft costs and expedite the process for consumers looking to install solar equipment by exempting smaller projects from professional stamp requirements.

Hawai‘i has a 100% renewable portfolio standard (RPS) by 2045,<sup>3</sup> and DER systems are critical to achieving the state’s RPS goals. In 2020, solar power generated nearly 17% of the state’s total electricity, largely due to the rapid uptake of small-scale, customer-sites solar systems.<sup>4</sup> In 2021, Hawaiian Electric (HECO) achieved 38% renewable generation, attributed to “a full year of geothermal production and an increase in private rooftop solar.”<sup>5</sup> Further, rooftop solar is the leading contributor to Hawai‘i’s clean energy portfolio making up 44.6% of all renewable energy in the state.<sup>6</sup> Continued implementation of rooftop solar has proven to be a strong component of the state’s renewable energy generation and contributes to a more resilient energy system. By raising the cost valuations in HRS 464-13, HB217 will reduce time and costs for individuals looking to install small scale DER projects. This is particularly relevant for low- and moderate-income communities, for which permitting delays have become a primary obstacle to DER adoption.

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<sup>1</sup> Data according to the American Institute for Economic Research.

<sup>2</sup> <https://pv-magazine-usa.com/2021/08/27/does-solsmart-program-targets-solar-soft-cost-reduction/>

<sup>3</sup> <https://energy.hawaii.gov/what-we-do/clean-energy-vision/>

<sup>4</sup> <https://www.eia.gov/state/?sid=HI#tabs-1>

<sup>5</sup> <https://www.hawaiianelectric.com/hawaiian-electric-hits-38-renewable-energy-in-2021>

<sup>6</sup> <https://www.hawaiianelectric.com/about-us/performance-scorecards-and-metrics/renewable-energy>

Sunrun strongly supports HB217 HD1 and respectfully urges the committee to advance this measure. Mahalo for the opportunity to provide testimony on this critical legislation. As a national solar, storage and energy services company, Sunrun has a broad view of states' clean energy policies and stands ready to assist Hawai'i with its policy goals.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Rymsha', with a long horizontal flourish extending to the right.

Steven Rymsha  
Director Grid Solutions, Public Policy  
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808-220-7377



To: The Senate Committee on Housing (HOU)  
From: Sherry Pollack, 350Hawaii.org  
Date: Tuesday, March 14, 2023, 1:01pm

**In support of HB217 HD1**

Aloha Chair Chang, Vice Chair Kanuha, and HOU Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **supports HB217 HD1** that updates the cost valuations of work on buildings for the work to qualify for an exemption from the requirement that plans and specifications for construction projects be prepared by a licensed engineer or architect. The current cost valuations for work on buildings, which are established by statute, are outrageously outdated. **They have not been updated since 1979.** An increase is long overdue.

In particular, simple renovations, such as installing residential rooftop solar and storage projects, should not require the approval of a licensed professional engineer or licensed architect, as they do now due to the 1979 cost valuations. This work can be done **proficiently and safely** by the licensed professionals solar companies already have on staff. Currently, the imposition of stamp or certification requirements on smaller projects adds both unnecessary cost, as well as significant permitting delays. Some residents have reported waiting nearly a year for their permit to install residential rooftop solar and storage projects as a result of the stamp requirement. This is an unacceptable delay that also undermines Hawaii's renewable energy transition.

HB217 HD1 is a common-sense measure with the added benefit that it will help Hawaii meet its one hundred per cent renewable energy target. Please support and pass this important measure.

Mahalo for the opportunity to testify.

Sherry Pollack  
Co-Founder, 350Hawaii.org

**Testimony of the Board of Professional Engineers, Architects, Surveyors, and  
Landscape Architects**

**Before the  
Senate Committee on Housing  
Tuesday, March 14, 2023  
1:01 p.m.  
Conference Room 225 and Videoconference**

**On the following measure:  
H.B. 217, H.D. 1, RELATING TO HOME RENOVATIONS**

Chair Chang and Members of the Committee:

My name is Sheena Choy, and I am the Executive Officer of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects (Board). The Board opposes this bill.

The purpose of this bill is to update the cost valuations of work on buildings for the work to qualify for an exemption from the requirement that plans and specifications for construction projects be prepared by a licensed engineer or architect.

Section 2 of this bill amends subsections (a) and (b) of Hawaii Revised Statutes (HRS) section 464-13 by increasing all four of the existing cost valuation exemptions. The Board acknowledges that inflation has increased the cost of work. However, the Board is concerned that this amendment will significantly raise the cap on the cost valuations of work on buildings for renovation projects serviced by an unlicensed professional to allow for larger scaled projects, such as major renovations, thereby jeopardizing the health, safety, and welfare of consumers. The Board would have no recourse to take action against an unlicensed person who provides substandard plans, on increasingly substantial projects. The Board notes that amendments were made to a similar bill (S.B. 781, S.D. 2), that deleted language that would have created an exemption from the Board's licensure law for certain structures under a certain dollar amount, acknowledging concerns raised in testimony that the exemptions made by this measure could jeopardize the safety of those projects.

The Board notes further that HRS section 464-13 may not be the appropriate section to amend if the intent is to allow larger construction projects to proceed without the need to hire licensed design professionals. The intent of this section, created in 1931, was to allow smaller-scale repairs without the requirement of a licensed design

professional's seal, where the work involved was to be relatively small in cost and in scope.

The Board respectfully requests that this measure be held in Committee, and encourages further discussion between the proponents of this measure and other stakeholders or, at a minimum, amend this measure to reflect similar amendments made to S.B. 781, S.D. 2.

Thank you for the opportunity to testify on this bill.



March 13, 2023

TO: Honorable Stanley Chang, Chair  
Honorable Dru Mamo Kanuha, Vice Chair  
Senate Committee on Housing

FROM: Reid Mizue, AIA  
President / Legislative Advocacy Committee Co-Chair  
**American Institute of Architects, Hawaii State Council**

SUBJECT: **Re: House Bill 217 HD1  
Relating to Home Renovations**

The American Institute of Architects

AIA Hawaii State Council  
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Dear Chair Chang, Vice-Chair Kanuha  
and Members of the Committee,

My name is Reid Mizue, President, AIA Hawaii Council submitting **COMMENTS** on House Bill 217 HD1. Current bill language is **problematic** because it **broadly proposes** to amend all existing dollar values in HRS 464-13, while bill title is **narrowly purposed** for “home renovations.” Our comment aligns with opposing testimony of DCCA-EASLA Board of Professional Engineers, Architects, Landscape Architects & Surveyors sent for previous hearing.

If you move this bill, AIA suggests that your Committee amend with HD2 using attached language that has following positive features:

- Amends current HRS 464-13 exemptions only for purpose in bill title. Section 1 revising subsections (a) and (b) only for homes/residences.
- Adds Section 2 explicitly allowing public officials, such as counties, to require use of appropriately licensed design professional for public safety and other consumer protections also cited in engineer testimony; without regard to dollar values. Examples are included in attached language. Current residential permit expediting process in Honolulu requires drawings be sealed and signed by licensed architect. Honolulu Self-Certification Bill 6 (23) being legislated will allow architects to “self-certify” building permits; a good time-saving solution for current county building permit backlog.
- Adds further to Section 2 with discretionary requirement for appropriately licensed design professional by private

homeowner associations. Becomes more important as dollar values increase and is also aligned with engineer testimony. Examples include exterior site grading & drainage renovations and interior renovations affecting structural and fire-related codes. Especially needed for low-rise wood-framed multi-family buildings. HRS 464-13 may not regulate these improvements, but some home owners “wrestle” with their associations over AOA rules by contending that state law exempts a dollar value even though association intent is adjoining homeowner protection. Property insurers generally prefer use of licensed professionals for building safety.

### **Savings to homeowners overlook necessary “soft costs” for drawing permit plans etc.**

AIA assumes your intent is to reduce cost of housing, but Section 1 cited “soft costs” of \$2,000 - \$6,000 dollars are for necessary services that **must be paid** by homeowner to some entity for drawings used to procure competitive prices, establish scope of work for builder’s contract, and apply for building permit. Homeowners can make their own drawings, but county building departments often find these drawings use more precious staff time for permit reviews. Increasing \$ - based exemption will also increase construction inspection effort by county building inspectors. All of this is occurring while county agencies are struggling to recruit more staff.

Possible unintended result of increasing dollar-based exemptions is that licensed design professionals will continue to perform these services WITHOUT affixing their seal and signature on projects less than the dollar limits. This results in consumers not having protection based on “standard-of-care” of a licensed professional.

### **The four counties are inconsistent as to how permit dollar values are calculated**

With respect to dollar values, Honolulu exempts kitchen cabinets (often costing \$30K to 40K) from home renovation building permit valuation. New Bill 56(2022) CD1 adds more exemptions. Exempting “big ticket” items from home renovation permit \$ valuation is good practice, because work is still to be done under overall renovation permit. And the remaining non-exempt dollar value is some indication of impact on life safety. Honolulu also issues “trade permits” to contractors for window replacement often costing \$40K to 50K. Thus HB 217 dollar increases could actually permit Honolulu home renovations worth total \$186,000.

Other counties do not exempt cost of “big ticket” renovation items like kitchen cabinets, according to our research; usually because permit fees are needed to finance building departments. HB 217 HD1 has bigger exemption relief for Honolulu, where consumer protection ought to be of greater concern due to neighborhoods with greater population density.

Thank you for this opportunity to **COMMENT** on House Bill 217 HD1.

Sincerely,



Reid Mizue, AIA  
American Institute of Architects, Hawaii State Council

**Following is suggested language if you move this bill. \$ exemptions are based on HB 217 HD1.**

**§464-13 Structures exempted from provisions of chapter.**

Section 1:

(a) The provisions of this chapter shall not apply to work in respect to any privately owned or privately controlled one-storied building, ~~dwelling,~~ or structure, the estimated cost of which does not exceed \$40,000. nor to any privately controlled two-storied building, ~~dwelling,~~ or structure, the estimated cost of which does not exceed \$35,000. ~~However, no structure, dwelling or building in which the principal structural members consist of reinforced concrete or structural steel having riveted, bolted, or welded connections shall be exempted from this chapter.~~

(b) The provisions of this chapter shall not apply to work in respect to any privately owned or privately controlled one-storied ~~structure, which is used primarily as a residence,~~ the estimated cost of which does not exceed ~~\$50,000~~ \$96,500, nor to any privately owned or privately controlled two-storied ~~structure, which is used primarily as a residence,~~ the cost of which does not exceed ~~\$45,000~~ \$86,500. Whenever the exemption provided for is applied to the construction of a new residence, it shall be noted and recorded with the bureau of conveyances.

(c) ~~Whenever the exemption provided for in subsection(b) is applied to the construction of a new building, it shall be noted and recorded with the bureau of conveyances. Notwithstanding the dollar-based exemptions of subsections(a) and (b), no structure, residence or building in which the principal structural members consist of reinforced concrete or structural steel having riveted, bolted, or welded connections shall be exempted from this chapter.~~



Section 2: Notwithstanding the dollar values of section 1(b), work not exempt from provisions of this chapter includes:

- (a) Any structure or improvement for which public officials having jurisdiction require use of an appropriately licensed design professional including but not limited to special management areas, flood hazard districts, special design districts, improvements resulting from conditional use or other discretionary zoning permits, code compliances or variances, and building permit expediting procedures.
- (b) Any improvement under rules established by a landowner or an association of owners for private property under their jurisdiction.

**HB-217-HD-1**

Submitted on: 3/10/2023 8:22:48 PM

Testimony for HOU on 3/14/2023 1:01:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrew Crossland	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

**LATE**

Aloha Chair Chang, Vice Chair Kanuha, and Committee Members

I support the intent of HD 217 HD1 which updates the cost valuations of work on buildings for the work to qualify for an exemption from the requirement that plans and specifications for construction projects be prepared by a licensed engineer or architect. HRS 464-13 was last revised in 1979 - 44 years ago. A generation of engineers and architects have come and gone since then.

Updating these values will reduce the financial burden, up to 15 percent of the construction cost, of updating homes for kupuna's mobility and safety needs or expanding homes to accommodate another generation because of high housing costs and low availability. I believe the proposed values should be much higher. The US Bureau of Labor Statistics data shows that the house price index for Hawaii has increased nine-fold from 1979 to 2022. The \$50,000 limit should be \$450,000.



Further, Hawaii is the most stringent in the nation for requiring plans and specifications to be stamped. New York is the next most stringent and requires a stamp for work over 1,500 square feet. California does not require a stamp for residential plans up to 2-stories. Converting square foot to dollars at the current construction rate of \$250 per square foot, New York equates to \$375,000.

These exemptions DOES NOT exempt a project from building permit and building code applicability. Building codes are to protect public health and safety and sets minimum standards for design and construction means and methods. The publication "*Professional Services for Construction Projects and Land Surveys*" by the State of Hawaii states "Building code officials devise and enforce building codes that are intended to protect the public's life, health and property".

Thank you for the opportunity to testify. I appreciate your time, consideration, and attention to this matter.

Stuart Shoji