

STAND. COM. REP. NO. **2815**

Honolulu, Hawaii

**FEB 29 2024**

RE: S.B. No. 2677  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2677, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to transfer authority over solar water heater system variances from the State to the counties.

More specifically, this measure:

- (1) Changes the entity responsible for approving a variance for the installation of solar water heater systems from the state Chief Energy Officer to the appropriate county authority having jurisdiction over building permits; and
- (2) Requires that the fees collected by each respective county authority be deposited into the appropriate county operating fund.

Your Committee received written comments in support of this measure from the Hawaii State Energy Office and two individuals.

Your Committee received written comments in opposition to this measure from the County of Maui, City and County of Honolulu Department of Planning and Permitting, Green Party of Hawaii,



Kauai Climate Action Coalition, Blue Planet Foundation, Solar Help Hawaii, 350 Hawaii, Hawaii Solar Energy Association, Solaray Corporation, Sol-Ark, Alternate Energy, Inc., and numerous individuals.

Your Committee received written comments on this measure from Hawaii Gas, Land Use Research Foundation of Hawaii, and one individual.

Your Committee finds that state law establishes certain criteria for a solar water heater system variance request. Your Committee further finds that the State, rather than the counties, should be responsible for determining the outcome of variance requests based on state standards. Your Committee recognizes that the counties do not presently have the requisite expertise to review and decide solar water heater system variance requests; nevertheless, the counties should be provided an opportunity to comment on the variance requests.

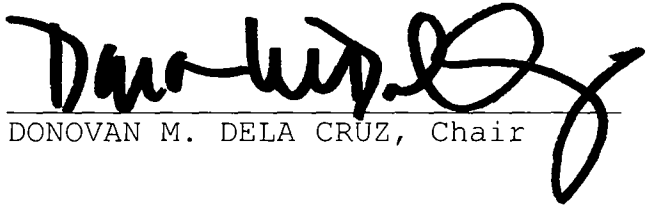
Your Committee has amended this measure by:

- (1) Retaining the Chief Energy Officer's jurisdiction over and responsibility for approving variances for the installation of solar water heater systems;
- (2) Requiring the Chief Energy Officer to provide a copy of the application for a variance to the appropriate county authority having jurisdiction over building permits;
- (3) Retaining the Director of Business, Economic Development, and Tourism's authority to impose and collect fees to cover the costs of administering solar water heater variances, and requiring the fees collected to be deposited into the energy security special fund;
- (4) Authorizing applicants for a solar water heater variance to submit their request concurrently with a building permit application;
- (5) Changing the effective date to July 1, 2024; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2677, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2677, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



