

**SB 606**



**SENATE COMMITTEE ON ENERGY AND ENVIRONMENT**

February 3<sup>rd</sup>, 2008, 2:45 P.M.

Room 225

**(Testimony is 1 page long)**

**TESTIMONY IN SUPPORT OF SB 606**

Chair Gabbard and members of the committee:

The Blue Planet Foundation supports Senate Bill 606, giving boards of directors authority to install or allow the installation of solar energy or wind energy devices on the common elements of condominiums. This common sense measure will encourage further adoption of energy- and money-saving clean energy devices and move Hawai'i closer to energy independence.

Blue Planet believes Hawai'i's clean energy future will be largely decentralized and diversified, meaning our power will be generated from a variety of sources across the islands. Putting our rooftop spaces to work collecting solar energy will likely be a significant source of tomorrow's energy. The most populated parts of the state receive between 450 and 500 calories of solar radiation per square centimeter every day<sup>1</sup>. To put into perspective, an average rooftop space of 1100 square feet receives the energy equivalent of approximately 15 gallons of gasoline daily. Common areas of condominiums or other shared living structures are likely much larger and could produce substantial amounts of power—if they are put to work.

Enabling associations to install solar or wind devices or lease their common area space for such a purpose is smart clean energy policy.

It appears that SB 606 is very similar to SB 54. Blue Planet does not have a preference as to which is forwarded.

Thank you for the opportunity to testify.

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<sup>1</sup> State of Hawai'i (2003). Hawaii Statewide GIS Program Solar Radiation Maps.



**Hawaii Solar Energy Association**  
*Serving Hawaii Since 1977*

February 1, 2008

**SB606: Testimony in Support**

Dear Chair Gabbard, Vice Chair English, and Members of the Committee:

*Hawaii Solar Energy Association (HSEA) is comprised of more than 30 installers, distributors, manufacturers and financiers of solar energy systems, both hot water and PV, most of which are Hawaii based, owned and operated. Our primary goals are: (1) to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the area; (2) to encourage the widespread utilization of solar equipment as a means of lowering the cost of energy to the American public, to help stabilize our economy, to develop independence from fossil fuel and thereby reduce carbon emissions that contribute to climate change; (3) to establish, foster and advance the usefulness of the members, and their various products and services related to the economic applications of the conversion of solar energy for various useful purposes; and (4) to cooperate in, and contribute toward, the enhancement of widespread understanding of the various applications of solar energy conversion in order to increase their usefulness to society.*

*HSEA members manufacture and install the majority of solar water heating systems and install the majority of solar PV systems in the State of Hawaii. Our comments on this measure are based on this expertise, and our related experience in other renewable energy technologies.*

**HSEA makes the following comments in support of this measure:**

Current penetration of solar and other renewable energy on condominiums is currently limited by a number of factors including the inability to monetize the RETITC in third party financing arrangements (which matters because AOA's, as non-profits, cannot use the tax credits directly) and the classification of many condo developments as 'multi-family property' (which subjects them to a \$350 per unit tax credit cap rather than the \$5,000 per unit cap that applies for single-family detached homes). In this context it is unclear how much of an immediate effect the proposed measure would have on the penetration of renewable energy in the state. However, at some point in the future these other problems may be addressed through various legislative and/or regulatory actions and the changes proposed in SB606 will become very important prerequisites to getting renewable energy systems deployed. HSEA therefore strongly supports SB606 as a measure with no downside and a substantial potential benefit.



# Sierra Club Hawai'i Chapter

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## SENATE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 3, 2009, 2:45 P.M.

*(Testimony is 1 page long)*

### TESTIMONY IN SUPPORT OF SB 606

Chair Gabbard and members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, supports SB 606, which ensures that condominiums have the choice to save money and energy by using solar and wind devices.

This measure is a logical extension to the bill passed into law in 2005 prohibiting restrictions that prevented individuals from installing solar energy devices on houses or townhomes that they own. Large common areas, such as laundry or exercise facilities, could help decentralize our energy system and allow condominium boards to fulfill their fiduciary duties by saving on electrical expenses. In short, HB 197 removes yet another barrier to local residents doing the right thing for the environment and the economy.

Thank you for the opportunity to testify.



February 4, 2008

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT  
REGARDING SENATE BILLS 606 and 54

Hearing Date : TUESDAY, February 4, 2008  
Time : 2: 45 P.m.  
Place : Conference Room 225

Chair Gabbard and Members of the Committee:

My name is John Morris and I am testifying on behalf of the Hawaii Legislative Action Committee of the Community Associations Institute ("CAI") in support of Senate Bills 606 and 54, which appear to be substantially the same. CAI Hawaii is the local chapter of a national organization dedicated to improving the management and operation of community associations nationwide.

As the preamble to the bills indicates, some years ago, the Legislature amended the law to make it easier for individual owners to install solar energy devices on the common elements. The bills propose to create the same opportunities for boards of directors to install solar energy devices on the common elements, for the benefit of all residents of the condominium project.

Companies are now asking associations to lease the roofs of certain condominium projects to install solar energy devices. Wind generators are also possible for certain projects. The proposals from companies usually compensate associations for the use of the project roofs or provide them with electricity at lower rates because of tax credits and the sale of surplus power to the utility company. (Since a condominium association often pays little if any taxes, it usually cannot take advantage of the tax credits which are available to the for-profit companies that install the solar energy devices.)

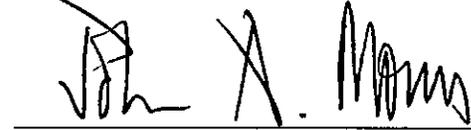
The present condominium law requires high levels of approval -- 67% and even 75% -- to lease even unused areas of the project, such as roofs. Therefore, while theoretically condominium boards can take advantage of these proposals by obtaining owner approval, such high levels of approval combined with owner apathy can defeat the best efforts of the boards to install solar energy devices.

The bills allow the board, alone, to install solar energy devices or lease roofs and other unused areas of the project for their installation. Since boards owe a fiduciary duty to act in their fellow owners' best interests, protections from abuse are already built into the law. Nevertheless, if the Legislature has a concern about giving boards too broad an authority, the approval requirements to allow such installations should at least be reduced from 67 or 75% down to a simple majority (50.1%). In that way, sufficient owners will be able to participate in the process without allowing unreasonably high approval requirements to "hamstring" the efforts of boards to install solar energy devices.

CAI Testimony Regarding SB 606 and SB 54  
February 4, 2008  
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Please contact me at 523-0702 if you have any questions. Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "John A. Morris". The signature is written in a cursive style with a horizontal line underneath it.

John A. Morris  
Hawaii Legislative Action Committee  
of the Community Associations Institute

JAM:alt