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## A BILL FOR AN ACT

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RELATING TO ENERGY RESOURCES.

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

1       SECTION 1. The legislature finds that independence from  
2 fossil fuels is critical for the security and well-being of  
3 Hawaii's residents and for the sustainability and vitality of  
4 Hawaii's economy. Rising oil costs and increased dependence on  
5 foreign oil continue to place Hawaii's families and businesses  
6 in a vulnerable position. Also, continued consumption of fossil  
7 fuel will worsen global warming, resulting in the increasing  
8 frequency and intensity of storms and rising sea levels in  
9 Hawaii. This will cause significant and costly impacts to our  
10 island communities as well as to the larger world.

11       The legislature also finds that the installation of solar  
12 water heaters on new single-family and duplex homes is one of  
13 the most cost-effective and efficient ways to remove Hawaii's  
14 families dependence on fossil fuels. A conventional electric  
15 water tank accounts for thirty to thirty-five per cent of a  
16 household's electric bill. It is estimated that by relying on  
17 the sun for ninety per cent of its hot water demand, a family  
18 could save enough money to pay for the solar system in three to



1 five years. After the system is paid off, the heating of water  
2 is essentially free. In addition to federal tax credits, when  
3 the cost of a solar water heater is included in the cost of a  
4 mortgage there could also be the added value of tax deductions.

5 For the reasons above, the legislature in 2008 passed Act  
6 204 requiring solar water heaters on new single-family homes.  
7 However, the legislature finds that Act 204 allows variances to  
8 this requirement under vague and unjustified circumstances such  
9 that the purpose of Act 204 is being thwarted in many instances  
10 by the variance that allows tankless gas. Therefore, the  
11 legislature finds it is necessary to modify the wording of the  
12 law and clarify that the variance allowing tankless gas shall  
13 require application by an ultimate occupant of the dwelling unit  
14 and only such occupant. If the occupant is not available, then  
15 the variance application shall not be accepted for processing  
16 and the variance shall not be available.

17 SECTION 2. Section 196-6.5, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 **"§196-6.5 Solar water heater system required for new**  
20 **single-family residential construction.** (a) On or after  
21 January 1, 2010, no building permit shall be issued for a new  
22 single-family or duplex dwelling that does not include a solar



1 water heater system that meets the standards established  
2 pursuant to section 269-44, unless the coordinator approves a  
3 variance. [~~A variance application~~] Applications for the  
4 following variances shall only be accepted if submitted by an  
5 architect or mechanical engineer licensed under chapter 464, who  
6 attests that:

7 (1) Installation is impracticable due to poor solar  
8 resource;

9 (2) Installation is cost-prohibitive based upon a life  
10 cycle cost-benefit analysis that incorporates the  
11 average residential utility bill and the cost of the  
12 new solar water heater system with a life cycle that  
13 does not exceed fifteen years; or

14 (3) A renewable energy technology system, as defined in  
15 section 235-12.5, is substituted for use as the  
16 primary energy source for heating water.

17 (b) Applications for the following gas variance shall only  
18 be accepted if the variance applicant:

19 (1) Is the party who will ultimately control the energy  
20 consumption cost;

21 (2) Signs an affidavit that the applicant will be the  
22 buyer-owner of the new house;



1       (3) Has read a flyer issued by the department of business,  
2       economic development, and tourism showing the life  
3       cycle cost comparisons of a solar water heater and  
4       tankless gas water heater of equivalent capacities;  
5       and

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. For the purposes of this paragraph, "demand  
10      water heater" means a gas-tankless instantaneous water  
11      heater that provides hot water only as it is needed.

12      ~~[(b)]~~ (c) A request for a variance shall be submitted to  
13      the coordinator on an application prescribed by the coordinator  
14      and shall include a description of the location of the property  
15      and justification for the approval of a variance using the  
16      criteria established in subsection (a). A variance shall be  
17      deemed approved if not denied within thirty working days after  
18      receipt of the variance application. The coordinator shall  
19      publicize:

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



1 (2) The disposition of all applications for a variance  
2 within seven days of the determination of the variance  
3 application.

4 [~~(e)~~] (d) The director of business, economic development,  
5 and tourism may adopt rules pursuant to chapter 91 to impose and  
6 collect fees to cover the costs of administering variances under  
7 this section. The fees, if any, shall be deposited into the  
8 energy security special fund established under section 201-12.8.

9 [~~(d)~~] (e) Nothing in this section shall preclude any  
10 county from establishing procedures and standards required to  
11 implement this section.

12 [~~(e)~~] (f) Nothing in this section shall preclude  
13 participation in any utility demand-side management program or  
14 public benefits fee program under part VII of chapter 269."

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

17 SECTION 4. This Act shall take effect upon its approval.

18  
INTRODUCED BY: 

BY REQUEST

**By Request**

JAN 10 2014



**Report Title:**

Kauai County Package; Solar Water Heater Variance Requirements

**Description:**

Requires duplexes to include a solar water heater system when applying for a building permit. Clarifies gas variance requirements to apply only to the ultimate occupant of the dwelling unit.

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

