

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 1864
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Transportation and Energy, to which was referred H.B. No. 1864, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY
TECHNOLOGIES,"

begs leave to report as follows:

The purpose and intent of this measure is to create a tax credit for ocean thermal energy conversion research and development facilities.

Your Committee received testimony in support of this measure from Organizing for Action, Sierra Club of Hawai'i, and one individual.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which deletes the contents of this measure and inserts language to:

- (1) Amend the criteria for when a variance application may be approved for a new single-family dwelling that does not include a solar water heater system; and
- (2) Add a definition for "renewable energy technology system" to section 196-6.5, Hawaii Revised Statutes.



Your Committee received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Hawai'i Energy; Blue Planet Foundation; Ulupono Initiative; Hawaii Solar Energy Association; Our Revolution Hawaii; Distributed Energy Resources Council of Hawaii; Environmental Caucus of the Democratic Party of Hawaii; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Young Progressives Demanding Action; and forty individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from Hawai'i Gas and Land Use Research Foundation of Hawaii.

Your Committee finds that Act 204, Session Laws of Hawaii 2008, enacted a requirement that new single-family homes be built with a solar water heater in order to lower energy costs for consumers. This requirement, known as the "solar water heater mandate", provided for a variance process for certain single-family homes. However, your Committee notes that the variance process is being misused, particularly with respect to homes using demand water heater devices as an alternative, such that it is providing benefits to unintended beneficiaries, namely developers. Thus, some housekeeping amendments to the solar water heater mandate are necessary to better protect consumers.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Adding language which clarifies that the coordinator may exercise discretion in denying any variance application deemed incomplete or insufficient to satisfy certain criteria; and
- (2) Inserting an effective date of January 1, 2100.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1864, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1864, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Energy,


LORRAINE R. INOUE, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* HB1864 HD2	Committee Referral: TRE	Date: 04/04/2018		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
SHIMABUKURO, Maile S.L.	X			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">Will Espo</div>				
Distribution: <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

***Only one measure per Record of Votes**