
A BILL FOR AN ACT

RELATING TO ROOFTOP SOLAR INSTALLATION.

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

1 SECTION 1. The legislature finds that taking advantage of
2 available rooftop space for rooftop solar photovoltaics will be
3 an important part of meeting Hawaii's one hundred per cent
4 renewable energy target by 2045, as the State is unlikely to
5 meet its renewable energy target with utility-scale resources
6 alone. A limited supply of land, as well as competing uses for
7 this land, such as agriculture, affordable housing, and
8 conservation needs, means that utility-scale projects, such as
9 utility solar and wind, are unable to provide all of the
10 electricity necessary to meet Hawaii's renewable energy
11 mandates. Furthermore, avoiding the cost of utility scale
12 resources, such as new transmission, and more expensive
13 technologies, like offshore wind, could save Hawaii residents
14 billions of dollars in present value.

15 The legislature further finds that adding a rooftop solar
16 energy generation system requirement for new, single-family
17 homes will help Hawaii achieve its renewable energy goals, while



1 lowering Hawaii's dependence on nonrenewable energy sources and
2 leading to a more sustainable future.

3 The legislature additionally finds that adding a solar
4 energy generation system during the construction phase
5 significantly reduces the system installation cost for
6 homeowners versus adding solar photovoltaics post-construction.
7 Solar installation during construction also allows home buyers
8 to finance systems at traditional, low mortgage rates.

9 The legislature also finds that California adopted a
10 similar requirement for solar on all new low-rise residential
11 buildings in 2019, with extensive studies showing that savings
12 on average were double to the investment made. The California
13 mandate was extended in 2022 to include all commercial
14 buildings, including high-rise residential buildings, which
15 studies also found to be cost-effective.

16 Because Hawaii's climate is even more favorable for solar
17 energy and electric rates are higher in the State, solar
18 photovoltaic systems can be expected to yield substantial
19 savings for Hawaii homeowners. In addition, many home
20 developers in California found opportunities to have solar
21 systems installed for free or to be paid for by the solar



1 developers, which lowered the cost of new home development. At
2 least one large developer founded their own solar company to do
3 their own design and installation. Similar opportunities may
4 become available to home developers in Hawaii. Large production
5 home projects are where rooftop solar will be the most cost-
6 effective. These projects benefit from economies of scale for
7 design and installation and potentially lower project costs
8 significantly by reducing the electrical infrastructure that
9 needs to be installed for the subdevelopment.

10 The purpose of this Act is to:

- 11 (1) Prohibit the issuance of building permits beginning on
12 January 1, 2025, for new single-family dwellings that
13 are part of a development of ten or more dwellings and
14 do not include a rooftop photovoltaic energy
15 generating system, unless an exemption or variance is
16 granted; and
- 17 (2) Allow moneys from the energy security special fund to
18 be used to support the Hawaii state energy office in
19 administering variances.



1 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
2 amended by adding a new section to part I to be appropriately
3 designated and to read as follows:

4 "§196- Rooftop photovoltaic energy generating system
5 installation required for new single-family residential
6 construction. (a) On or after January 1, 2025, no building
7 permit shall be issued for a new single-family dwelling that is
8 part of a development of ten or more dwellings and does not
9 include a rooftop photovoltaic energy generating system, unless
10 the chief energy officer of the Hawaii state energy office
11 approves a variance or the development is for affordable
12 housing, as defined in section 201H-57(b). A variance
13 application shall only be accepted if submitted by an architect
14 or electrical engineer licensed under chapter 464, who attests
15 that:

- 16 (1) Installation is impracticable due to poor solar
17 resource; or
18 (2) Installation is cost-prohibitive based upon a life
19 cycle cost-benefit analysis that incorporates the
20 average residential utility bill and the cost of the
21 new rooftop photovoltaic energy generating system,



1 including any specific interconnection costs, with a
2 life cycle of twenty-five years.

3 (b) A request for a variance shall be submitted to the
4 Hawaii state energy office on an application prescribed by the
5 chief energy officer and shall include a description of the
6 location of the property and justification for the approval of a
7 variance using the criteria established in subsection (a). A
8 variance shall be deemed approved if not denied within sixty
9 working days after receipt of the variance application. The
10 chief energy officer shall publicize:

11 (1) All applications for a variance, including cost
12 estimates, within seven calendar days after receipt of
13 the variance application; and

14 (2) The disposition of all applications for a variance
15 within seven calendar days of the determination of the
16 variance application.

17 (c) The chief energy officer of the Hawaii state energy
18 office may adopt rules pursuant to chapter 91 to impose and
19 collect fees to cover the costs of administering variances under
20 this section. The fees, if any, shall be deposited into the
21 energy security special fund established under section 201-12.8.



1 (d) Nothing in this section shall preclude any county from
2 establishing procedures and standards required to implement this
3 section.

4 (e) Nothing in this section shall preclude participation
5 in any utility demand-side management program or public benefits
6 fee program under part VII of chapter 269.

7 (f) For the purposes of this section, "rooftop
8 photovoltaic energy generating system" means any identifiable
9 facility, equipment, apparatus, or the like, that utilizes
10 electricity-generating modules mounted on a rooftop, or near the
11 subject property, that converts solar energy to useful
12 electrical energy for heating, cooling, or reducing the use of
13 other types of energy that are dependent upon fossil fuel for
14 the generation of electricity; provided that the system shall
15 have no less than five kilowatts of generating capacity and
16 shall include an energy storage device, such as a battery."

17 SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Subject to legislative appropriation, moneys from the
20 fund may be expended by the Hawaii state energy office for the



1 following purposes and used for no other purposes, except for
2 those set forth in this section:

3 (1) To support the Hawaii clean energy initiative program
4 and projects that promote and advance dependable and
5 affordable energy, renewable energy, energy
6 efficiency, energy self-sufficiency, and greater
7 energy security and resiliency for the State and
8 public facilities;

9 (2) To fund, to the extent possible, the climate change
10 mitigation and adaptation commission and the
11 greenhouse gas sequestration task force;

12 (3) To support achieving the zero emissions clean economy
13 target set forth in section 225P-5;

14 (4) To fund projects and incentives to promote the
15 adoption of clean transportation technologies, develop
16 clean vehicle charging infrastructure, and upgrade
17 infrastructure to support the development of clean
18 vehicle charging infrastructure; [~~and~~]

19 (5) To fund, to the extent possible, the duties of the
20 state building code council in section 107-24, as they



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1 relate to the development of energy conservation
2 codes~~[]~~; and

3 (6) To support the Hawaii state energy office in
4 administering variances under section 196- ."

5 SECTION 4. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 5. This Act shall take effect on July 1, 2024.

8

INTRODUCED BY: *Lisa Merten*

JAN 19 2024



H.B. NO. 1973

Report Title:

Rooftop Solar Installation; Rooftop Photovoltaic Energy
Generating Systems; New Residential Construction Requirement

Description:

Beginning 1/1/2025, prohibits the issuance of building permits for new single-family dwellings that are part of a development of ten or more dwellings and do not include a rooftop photovoltaic energy generating system, under certain circumstances. Authorizes the Hawaii state energy office to use moneys from the energy security special fund to administer variances.

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