

JAN 20 2023

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, as the State is unlikely to meet its
5 renewable energy target with utility-scale resources alone. A
6 limited supply of land, as well as competing uses for this land,
7 such as agriculture, affordable housing, and conservation needs,
8 means that utility-scale projects, such as utility solar and
9 wind, are unable to provide all of the electricity necessary to
10 meet Hawaii's renewable energy mandates. Furthermore, avoiding
11 the cost of utility scale resources, such as new transmission,
12 and more expensive technologies, like offshore wind, could save
13 Hawaii residents billions of dollars in present value.

14 The legislature further finds that adding a rooftop solar
15 energy generation system requirement for new, single-family
16 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 is 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 prohibit the issuance of
11 building permits beginning on January 1, 2024, for new single-
12 family dwellings that are part of a development of ten or more
13 dwellings and do not include a rooftop photovoltaic energy
14 generating system, unless an exemption or variance is granted.

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

18 "§196- Rooftop photovoltaic energy generating system
19 installation required for new single-family residential
20 construction. (a) On or after January 1, 2024, no building
21 permit shall be issued for a new single-family dwelling that is



1 part of a development of ten or more dwellings and does not
2 include a rooftop photovoltaic energy generating system, unless
3 the chief energy officer of the Hawaii state energy office
4 approves a variance. A variance application shall only be
5 accepted if submitted by an architect or electrical engineer
6 licensed under chapter 464, who attests that:

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

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 rooftop photovoltaic energy generating system,
13 including any specific interconnection costs, with a
14 life cycle of twenty-five years.

15 (b) A request for a variance shall be submitted to the
16 Hawaii state energy office on an application prescribed by the
17 chief energy officer and shall include a description of the
18 location of the property and justification for the approval of a
19 variance using the criteria established in subsection (a). A
20 variance shall be deemed approved if not denied within sixty



1 working days after receipt of the variance application. The
2 chief energy officer shall publicize:

3 (1) All applications for a variance, including cost
4 estimates, within seven calendar days after receipt of
5 the variance application; and

6 (2) The disposition of all applications for a variance
7 within seven calendar days of the determination of the
8 variance application.

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

14 (d) Nothing in this section shall preclude any county from
15 establishing procedures and standards required to implement this
16 section.

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

20 (f) For the purposes of this section, "rooftop
21 photovoltaic energy generating system" means any identifiable



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1 facility, equipment, apparatus, or the like, that utilizes
2 electricity-generating modules mounted on a rooftop, or near the
3 subject property, that converts solar energy to useful
4 electrical energy for heating, cooling, or reducing the use of
5 other types of energy that are dependent upon fossil fuel for
6 the generation of electricity; provided that the system shall
7 have no less than five kilowatts of generating capacity and
8 shall include an energy storage device, such as a battery."

9 SECTION 3. New statutory material is underscored.

10 SECTION 4. This Act shall take effect on July 1, 2023.

11

INTRODUCED BY:

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Report Title:

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

Description:

Beginning 1/1/2024, 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, unless a variance is granted.

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

