

Honolulu, Hawaii

FEB 09 , 2026

RE: H.B. No. 2608
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2608 entitled:

"A BILL FOR AN ACT RELATING TO WATER HEATING SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize building permit variances for certain high-efficiency electric water heating systems utilizing heat pump technology, rather than demand water heater devices, which are gas-tankless instantaneous water heaters; and
- (2) Expand the Renewable Energy Technologies Income Tax Credit to include high-efficiency electric water heating systems utilizing heat pump technology.

Your Committee received testimony in support of this measure from the Hawaiian Council and six individuals. Your Committee received testimony in opposition to this measure from Hawai'i Gas; Stanford Carr Development; Castle & Cooke Homes Hawai'i, Inc.; the Building Industry Association of Hawaii; Kapolei Chamber of Commerce; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation and The Solaray Corporation dba Inter-Island Solar Supply.



Your Committee finds that high-efficiency electric water heating systems utilizing heat pump technology provide a cost-saving alternative to fossil fuel-based water heating systems, helping to reduce household energy costs and greenhouse gas emissions. This measure authorizes building permit variances for these systems to be used in place of demand water heaters. While your Committee finds that there is a need to support the adoption of these systems through variances or tax credits, your Committee recognizes that a variance for these systems does not need to replace the existing variance for demand water heaters and that other measures being heard by your Committee will address the expansion of the Renewable Energy Technologies Income Tax Credit.

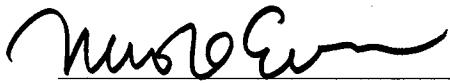
Accordingly, your Committee has amended this measure by:

- (1) Reinstating the variance for demand water heater devices;
- (2) Removing provisions expanding the Renewable Energy Technologies Income Tax Credit;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2608, H.D. 1, and be referred to your Committee on Water & Land.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



State of Hawaii
 House of Representatives
 The Thirty-third Legislature

HSCR 84-26

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral:	Date:		
HB 2608	EEP, WAL, FIN	2/5/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)	✓			
2. PERRUSO, Amy A. (VC)	✓			
3. CHUN, Cory M.	✓			
4. KAHALOA, Kirstin	✓			
5. KUSCH, Matthias	✓			
6. QUINLAN, Sean	✓			
7. MATSUMOTO, Lauren		✓		
TOTAL (7)	6	1		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. Committee acronym(s) _____				
Vice Chair's or designee's signature: <i>Amy Perruso</i>				
Distribution: Original (White) – Committee		Duplicate (Yellow) – Chief Clerk's Office		Duplicate (Pink) – HMSO