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# A BILL FOR AN ACT

RELATING TO WATER HEATING SYSTEMS.

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

1 SECTION 1. The legislature finds that Hawaii has long been  
2 a national leader in solar water heating adoption and clean  
3 energy policy. Since the enactment of the State's solar water  
4 heating requirements and incentives, electric heat pump water  
5 heater technology has advanced significantly. Simultaneously,  
6 the cost of this technology has dropped significantly, allowing  
7 substantial reductions in utility bills, energy use, and  
8 greenhouse gas emissions while supporting grid reliability and  
9 renewable energy integration. The legislature further finds  
10 that past implementation of the solar water heating requirement  
11 and variance processes resulted in widespread approval of fossil  
12 fuel-based water heating systems, including gas-fired demand  
13 water heaters, despite Hawaii having no indigenous or reliable  
14 in-state supply of natural gas or propane. This furthers the  
15 State's dependence on imported fossil fuels and undermines clean  
16 energy goals.



1        The legislature additionally finds that high-efficiency  
2    electric heat pump water heaters provide a clean energy  
3    alternative that avoids continued reliance on fossil fuel  
4    combustion for water heating and aligns with statutory  
5    commitments to decarbonization, energy security, and reduced  
6    household energy costs. Unlike rooftop solar water heating  
7    systems, high-efficiency electric heat pump water heaters can be  
8    utilized in a broader range of housing types, including rental  
9    units, townhomes, and multifamily dwellings, thereby expanding  
10   access to clean energy technologies and energy cost savings for  
11   residents who may otherwise be unable to benefit from rooftop-  
12   based systems.

13       The legislature also finds that federal incentives  
14   previously supported the adoption of high-efficiency electric  
15   heat pump water heaters, including a rebate of up to \$2,000  
16   authorized under the Inflation Reduction Act, which expired on  
17   December 31, 2025, resulting in the loss of a significant  
18   financial incentive for Hawaii households.

19       The legislature further finds that modern high-efficiency  
20   electric heat pump water heaters can provide energy savings  
21   comparable to those of solar water heating systems, while



1 expanding access to clean water heating options for households  
2 and housing where new solar water heating systems are  
3 impractical or impossible.

4 Accordingly, the purpose of this Act is to authorize  
5 building permit variances for certain high-efficiency electric  
6 water heating systems utilizing heat pump technology.

7 SECTION 2. Section 196-6.5, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

9 "(a) On or after January 1, 2010, no building permit shall  
10 be issued for a new single-family dwelling that does not include  
11 a solar water heater system that meets the standards established  
12 pursuant to section 269-44, unless the chief energy officer of  
13 the Hawaii state energy office approves a variance. A variance  
14 application shall only be accepted if submitted by an architect  
15 or mechanical engineer licensed under chapter 464, who attests  
16 that:

17 (1) Installation is impracticable due to poor solar  
18 resource;

19 (2) Installation is cost-prohibitive based upon a life  
20 cycle cost-benefit analysis that incorporates the  
21 average residential utility bill and the cost of the



1 new solar water heater system with a life cycle that  
2 does not exceed fifteen years;

3 (3) A renewable energy technology system, as defined in  
4 section 235-12.5, is substituted for use as the  
5 primary energy source for heating water; [or]  
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  
12 needed[.]; or  
13 (5) A high-efficiency electric water heating system  
14 utilizing heat pump technology, as defined in section  
15 235-12.5, when installed in conjunction with a  
16 photovoltaic system, is substituted as the primary  
17 energy source for heating water."

18 SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 3000.



**Report Title:**

High-efficiency Electric Water Heating Systems; Heat Pumps;  
Building Permit Variances

**Description:**

Authorizes building permit variances for certain high-efficiency  
electric water heating systems utilizing heat pump technology.  
Effective 7/1/3000. (HD1)

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

