
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)

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