



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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MARK B. GLICK
CHIEF ENERGY OFFICER

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON WATER & LAND

Thursday, February 19, 2026
9:00 AM
State Capitol, Conference Room 411 and Videoconference

Providing Comments on
HB 2608, HD1

RELATING TO WATER HEATING SYSTEMS.

Chair Hashem, Vice Chair Morikawa, and Members of the Committee, the Hawai'i State Energy Office (HSEO) respectfully submits comments on HB 2608, HD1, which authorizes building permit variances for certain high-efficiency electric water heating systems utilizing heat pump technology.

HSEO currently administers solar water heater variance applications. Under existing §196-6.5(a)(1) and (2), a variance may be granted when installation of a solar water heater is impracticable due to poor solar resource and is cost-prohibitive based on a life-cycle cost analysis. In administering these provisions, HSEO may approve high-efficiency electric heat pump water heaters as an alternative water heating system when statutory criteria are satisfied. Current law does not require installation of a photovoltaic (PV) system in order to approve a heat pump water heater under these variance pathways.

HSEO suggests removing the proposed amendment on page 4, lines 13 to 17: “(5) A high-efficiency electric water heating system utilizing heat pump technology, as defined in section 235-12.5, when installed in conjunction with a photovoltaic system, is substituted as the primary energy source for heating water.” As written, this amendment

authorizes approval of a variance only if a high-efficiency electric heat pump water heater is installed in conjunction with a PV system.

Alternatively, the language could be moved, to §196-6.5 (a), amending lines page 3 lines 12: (a) On or after January 1, ~~2010~~2027, no building permit shall be issued for a new single-family dwelling that does not include a solar water heater system that meets the standards established pursuant to section 269-44, or a high-efficiency electric water heating system utilizing heat pump technology, as defined in section 235-12.5, when installed in conjunction with a photovoltaic system.

To summarize, if the language remains in §196-6.5 (a)(5), this will require installation with a PV system, which will create additional barriers for homeowners who wish to adopt efficient heat pump technology but cannot install PV due to shading or financial constraints. This change would reduce flexibility, add costs, and could slow progress toward Hawai'i's energy and decarbonization goals. However, if moved to section §196-6.5 (a), this amendment would effectively allow a heat pump water heater installed in conjunction with a photovoltaic system to receive a building permit without going through the variance request process.

As an additional housekeeping amendment, HSEO recommends deleting the reference to Underwriters Laboratories, Inc. (UL) on page 4, lines 6-12: §196-6.5, (a) (4) "A demand water heater device ~~approved by Underwriters Laboratories, Inc.~~" UL does not approve gas appliances under Section 196-6.5. In place of that, HSEO proposes the following: §196-6.5, (a) (4) A demand water heater device certified by ENERGY STAR, the Consortium for Energy Efficiency, or other third-party independent entity that identifies appliances to save consumers money by reducing energy usage, approved by Underwriters Laboratories, Inc., is installed... This suggested amendment should be viewed as a housekeeping amendment to improve clarity of the existing statute.

While the intent of HB 2608, HD1, to promote clean energy adoption is commendable, the existing statutory framework already allows consideration and approval of high-efficiency heat pump water heaters through the variance process without imposing additional conditions that may limit homeowner participation.

Thank you for the opportunity to testify.

February 519, 2026

Representatives Hashem and Morikawa
House Committee on Water and Aland

RE: HB2608
Hearing: Thursday February 19, 2026
Position: **COMMENTS**

Chairs Hashem and Morikawa and members of the committee:

My name is Will Giese. I am the Senior Director of Government Affairs for Solaray Corporation. Solaray was founded in 1975 in Hawai'i and does business in Hawai'i as Inter-Island Solar Supply. Solaray also wholly owns Pacific Panel Cleaners ("PPC"), Generator & Power Systems ("GPS"), both Hawai'i Corporations, SunEarth, Inc., a California Corporation, and Alternate Energy Technologies (AET), a Florida Corporation. SunEarth & AET are domestic manufacturing companies producing American made clean energy products, much of which is installed and operated throughout Hawaii for 50 years. GPS is the Generac Industrial generator distributor for Hawai'i. Solaray Corp., and its wholly owned subsidiaries, are proudly 100% employee owned.

Solaray is offering **COMMENTS** to HB2608 relating to water heating systems, but are generally in support of the intent of this legislation.

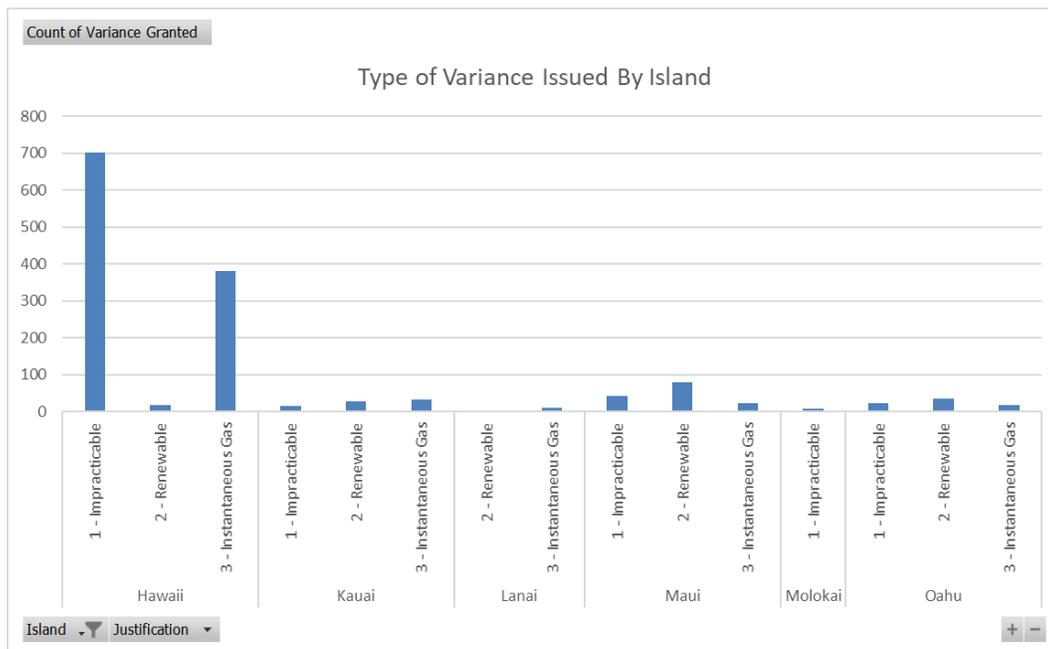
This bill authorizes building permit variances for certain high-efficiency electric water heating systems utilizing heat pump technology, rather than solar water heater systems. It expands the renewable energy technologies income tax credit to include high-efficiency electric water heating systems.

COMMENTS

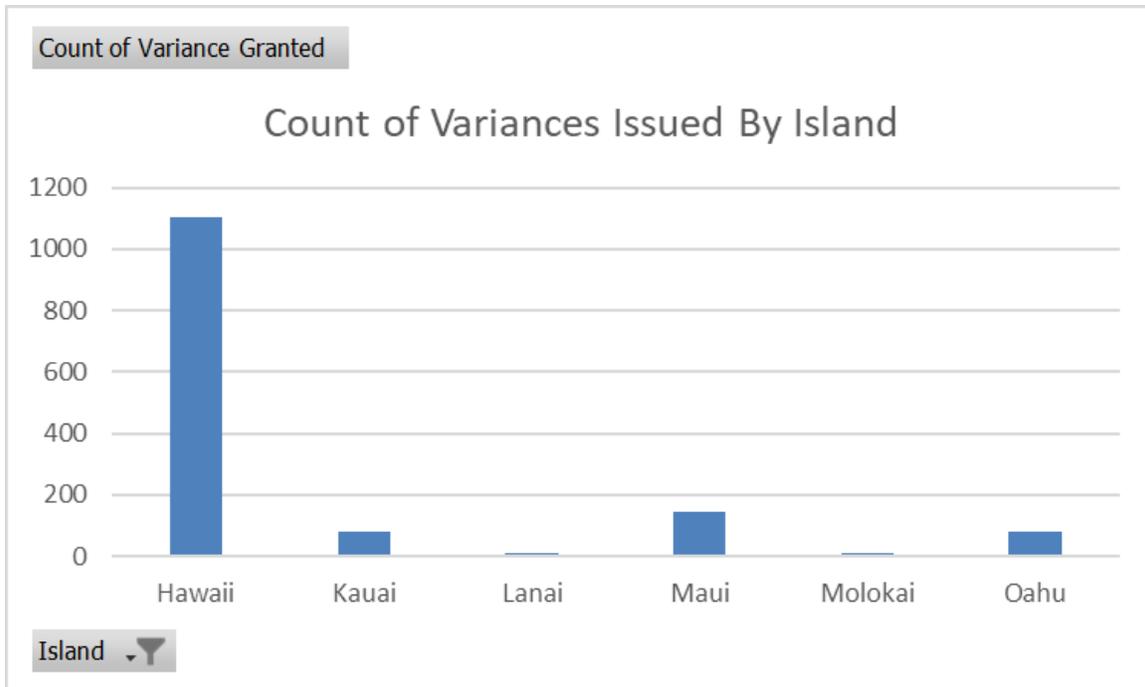
Solar water heaters are an essential part of Hawaii's energy landscape and provide millions of gallons of hot water heated by the sun to thousands of homes and businesses throughout Hawaii each year, while supporting a diverse local installer network. In fact, Hawaii has one of the most successful solar water heating industries in the United States, with almost 1 in 3 single family homes having installed solar water heaters for over 40 years. Because of the abundant solar resources available in the state, Hawaii rightly recognized over 15 years ago that the most cost effective and efficient way to heat water *and* reduce or almost entirely eliminate one of the largest single energy loads in a home was to require solar water heaters as part of all new home construction.

Solar water heaters are highly effective at heating water for residences throughout the state, because the state mandates that solar water heaters provide 90% or greater thermal energy to heat water directly from the sun. Current guidelines regarding the variance process requires that a majority of the energy used to heat water is offset by a renewable source, unless there are specific reasons that the home is incapable of installing a solar water heater, such as poor solar resources. In fact, the current variance process allows for heat pumps and solar PV water heaters to be selected as an alternative. Over half of all variances applied for and approved by the Hawaii State Energy Office were either PV or heat pumps.¹

This legislation adds a variance that is functionally already being used. In 2025, of the 1436 variance request received by the HSEO 1225 of them were approved (85%). 370 of these approvals were for instantaneous gas (30%) and 707 were for heat pumps due to impractical solar resource (57%). If we assume similar construction rates for new single-family homes in 2025 as in 2024 (around 2500 homes), this is a little under 50% of all homes having approved variances for SHW, and around 26% have heat pumps. Interestingly, as has been the case for many years, half of all variances applied for and approved are by one architect/engineer on the Big Island.



¹ See HSEA SHW Variance Data here: <https://energy.hawaii.gov/what-we-do/energy-efficiency/solar-water-heat-variance/>



If the intent of the legislature and the state is for this variance process and mandate to actually work as intended, it is failing to do so. The original intent of the solar water heating mandate was to issue variances “rarely, if ever” in lieu of solar water heating technology. This is in addition to a 2019 ruling that requires the HSEO to “rarely, if ever” issue variances and to exercise discretion on each variance that is submitted. In 2025, only 68 variances were issued that required the applicant to submit a life-cycle cost comparison analysis that requires the applicant to justify the cost of an alternative water heating method. For variances to be issued for over half of all new single-family homes in Hawaii almost certainly does not meet the standard of “rarely, if ever”.

We also suggest that, as an amendment to this bill, the legislature consider directing the Public Utilities Commission to update the standard by which solar water heating is adopted in this state. Solar water heating technology has changed significantly since 2009, yet the standards surrounding their installation in Hawaii have remained the same. For instance, the average life of a solar water heater is at least 20-25 years yet Section 195-6.5 only allows the comparison of a solar water heater at 15 years. This oversight distorts the value of solar water heaters and makes a lifecycle cost analysis appear less affordable than the technology actually is. Updating the standards allows the state to account for these technological innovations and gives the state an opportunity to amend existing standards to lower the cost of solar water heating compared to other technology. That standard exists in HRS Section 269-44 (which is referenced in Section 196-6.5). We recommend the following amendments in red, at page 4, line 7 and as a new section:

- (1) Installation is impracticable due to poor solar resource;
 - (2) Installation is cost-prohibitive based upon a life cycle cost-benefit analysis that incorporates the average residential utility bill and the cost of the new solar water heater system with a life cycle that does not exceed ~~fifteen~~ **thirty** years;
 - (3) A renewable energy technology system, as defined in section 235-12.5, is substituted for use as the primary energy source for heating water; or
 - [(4) A demand water heater device approved by Underwriters Laboratories, Inc., is installed; provided that at least one other gas appliance is installed in the dwelling. For the purposes of this paragraph, "demand water heater" means a gas-tankless instantaneous water heater that provides hot water only as it is needed.]
- (4) A high-efficiency electric water heating system utilizing heat pump technology, as defined in section 235-12.5, when installed in conjunction with a photovoltaic system, is substituted as the primary energy source for heating water."

NEW SECTION AMENDMENTS

[\$269-44] Solar water heater system standards. Not later than July 1, 2009, or as soon as reasonably practicable, the public utilities commission shall adopt or establish by rule, tariff, or order, standards for solar water heater systems to include, but not be limited to, specifications for the performance, materials, components, durability, longevity, proper sizing, installation, and quality to promote the objectives of section 269-124. **The commission shall update these rules, tariffs, or standards on or before July 1, 2027 and every five years after that date to account for advances and innovations in solar water heating technology.** [L 2008, c 204, §3]

While there are limited cases in which solar water heaters do not make sense for the average new home build, in most cases solar water heating is the most cost-effective and resilient way for the average home in Hawaii to heat water. This is why there is a variance process, and also why variances should "rarely, if ever" be granted. The variance process, if properly implemented by HSEO, works as intended and residents are able to enjoy the most efficient water heating technology available to them on the market.

As a local, employee-owned solar business owned and operated in Hawaii for over 50 years, we **OFFER COMMENTS FOR HB2608 HD1** and urge the committee to consider our suggested amendments to this measure.

Thank you for your time and consideration,

Will Giese
Senior Director, Government Affairs
Solaray Corporation



Hawaii Solar Energy Association
Serving Hawaii Since 1977

**Testimony of the Hawaii Solar Energy Association (HSEA)
Regarding HB2608 HD1 – Relating to Water Heating Systems
Before the House Committee on Water & Land**

Tuesday, February 17, 2026

Dear Chair Hashem, Vice Chair Morikawa, and Members of the Committee:

The Hawaii Solar Energy Association (HSEA) offers **comments** on HB2608 HD1.

HSEA supports policies that advance electrification, renewable energy deployment, and cost-effective decarbonization for Hawaii's residents. Hawaii's solar water heating (SHW) requirement has been one of the most successful clean energy policies in the nation. It helped establish Hawaii as a national leader in renewable energy adoption and remains deeply rooted in the local solar industry. Solar hot water systems continue to provide high efficiency, meaningful bill savings, and long-term environmental benefits to households across the State.

With respect to the lifecycle cost analysis language in section 196-6.5, HSEA agrees that the existing statutory cap of fifteen years does not accurately reflect real-world system performance. Properly installed and maintained solar water heating systems frequently operate well beyond fifteen years, with collectors often lasting 25 years or more. The current statutory assumption that the full system must be replaced at fifteen years does not reflect actual market conditions and can distort lifecycle cost comparisons, giving other technologies an unrealistic advantage.

HSEA recognizes that a fifteen-year lifecycle assumption is not reflective of actual system performance and would support extending the lifecycle analysis period to a more accurate duration. However, rather than replacing one fixed statutory number with another, HSEA recommends removing the specific lifecycle duration language altogether and directing the Public Utilities Commission (PUC) to determine appropriate lifecycle assumptions based on empirical performance data. We support requiring the PUC to review and update solar water heater standards at least every five years to account for documented system performance and technological advances. A data-driven, periodically updated approach will ensure fairness, accuracy, and long-term policy durability.

HSEA also respectfully questions whether it is necessary to add high-efficiency electric heat pump water heaters to the list of eligible variances. Electrified water heating solutions,



Hawaii Solar Energy Association
Serving Hawaii Since 1977

including heat pump water heaters paired with photovoltaic systems, are already being deployed under existing statutory pathways. If the Legislature proceeds with clarifying language, we encourage ensuring that the framework remains performance-based, technology-neutral, and aligned with Hawaii's broader electrification and renewable energy goals.

HSEA supports electrification and high-efficiency technologies while also recognizing the proven economic and environmental value of solar hot water systems in Hawaii's clean energy transition. A balanced, data-driven framework will best serve consumers, industry, and the State's renewable energy objectives.

Mahalo for the opportunity to provide **comments**.

/S/ Rocky Mould
Executive Director



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 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 19, 2026

The Honorable Mark J. Hashem, Chair

House Committee on Water & Land
State Capitol, Conference Room 411 & Videoconference

RE: House Bill 2608, HD1, Relating to Water Heating Systems

HEARING: Thursday, February 19, 2026, at 9:00 a.m.

Aloha Chair Hashem, Vice Chair Morikawa, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports the intent** of House Bill 2608, HD1, which authorizes building permit variances for certain high-efficiency electric water heating systems utilizing heat pump technology. Effective 7/1/3000.

Under current law, new single-family homes must include a solar water heater system to obtain a building permit. However, some homes may have limited sunlight exposure, which would make solar water heating less effective. HAR supports allowing high-efficiency electric water heating systems utilizing heat pump technology as a viable clean energy alternative that can also be utilized in a broad range of housing types.

Mahalo for the opportunity to testify on this measure.



HB-2608-HD-1

Submitted on: 2/17/2026 2:55:07 PM

Testimony for WAL on 2/19/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Parsons	Kauai Climate Action Coalition	Support	Remotely Via Zoom

Comments:

Aloha Trusted Hawaii Lawmokers!

Testimony in Strong Support of HB-2030

The Kauai Climate Action Coalition, along with many environmental organizations and community advocates, strongly supports HB-2030. We respectfully recommend amending the bill to remove the variance requirement just like HP350 was written last year and carried over and allow greater flexibility in meeting water heating efficiency goals.

Let’s keep this practical and consumer-focused: homeowners and contractors should have the ability to choose between **heat pump water heaters and solar water heaters**. Both technologies reduce energy use and lower operating costs. Heat pump water heaters — particularly newer **110V plug-in models** — are easy to install and may even allow for do-it-yourself replacement in appropriate situations, creating additional savings.

Heat pump systems also offer a unique comfort benefit by expelling cool air, which can help moderate indoor temperatures. In contrast, on-demand gas water heaters add heat to the home and produce combustion-related air pollutants. Expanding access to efficient electric alternatives supports both affordability and healthier indoor environments.

Hawai‘i can also learn from best practices elsewhere. In Maine, heat pump water heaters have become the most affordable option at retail locations due to **instant point-of-sale rebates**. The Tennessee Valley Authority (TVA) similarly supports high-efficiency electrification technologies. Hawai‘i should adopt comparable incentive structures to accelerate consumer savings and energy efficiency.

We further recommend **sunsetting the gas on-demand variance within five to ten years**, providing a reasonable transition period while aligning with Hawai‘i’s long-term clean energy objectives.

HB-2030 represents an opportunity to promote consumer choice, reduce household energy costs, and improve environmental and public health outcomes.

Mahalo for your consideration,

Steve Parsons

Hanapēpē, Hawai‘i

Kauai Climate Action Coalition Lead

HB-2608-HD-1

Submitted on: 2/17/2026 11:02:02 PM

Testimony for WAL on 2/19/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lourdes Vergara Marcelo	Lou's Quality Home Health Care Services, LLC	Support	Written Testimony Only

Comments:

I support the HB 3608 regarding the Water heating System for mul;ti-family or multi-generational househpld.

The most expensive utility bills are found in Hawaii. As locals, we must make sacrifices in order to cover our water and electricity costs. Now that the energy incentives have been removed, few families can afford the solar system that lowers our electricity costs. I am in favor of HB 3608 introduced by Rep. Trish La Chica.

Thank you .

Lourdes V. Marcelo, RN , 808 754 3934



Hawai'i State House of Representatives

Committee on Water & Land

HB2608, HD1 – Relating to Water Heating Systems

RE: Support for HB2608, HD1

February 19, 2026

Hawaiian Council writes in support for HB2608, HD1, which was introduced as a vehicle to encourage utility bill savings, increase household energy independence, and advance energy sovereignty for our islands. While we understand the amendments made by the prior committee that preserved all current forms of variances, we would encourage this committee to reconsider the tax credit element of the original draft of this bill.

Hawaiian Council is a 501(c)3 member-based non-profit committed to advancing the cultural, economic, and community development of Hawai'i and Native Hawaiians, with a focus on sustainability and economic resilience by advancing self-sufficiency. The recently rescinded 30% federal tax credit (up to \$2000) for heat pump water heaters was a critical part of the move towards energy sovereignty and affordable utilities.

The original version of HB2608 helped fill that gap by expanding the state income tax credit to help lower upfront installation costs for heat pump water heaters for local families when paired with a solar PV system, providing years of savings on monthly utility bills. HB2608 recognized the recent technological and cost improvements that provide more flexible and cost-effective options for local homeowners.

The current language of HB2608, HD1 does not support the adoption of heat pump water heaters for existing low- and moderate-income households. We strongly encourage this committee to restore the original tax credit language.

Hawaiian Council supports measures that provide more choice and equitable access to sustainable technologies. Mahalo for your commitment to Native Hawaiian culture, economic development, and local energy sovereignty.

Mālama pono,

Madelyn McKeague

Director of Advocacy, Hawaiian Council

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HB-2608-HD-1

Submitted on: 2/17/2026 8:49:32 AM

Testimony for WAL on 2/19/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Maria Barrows	Individual	Support	Written Testimony Only

Comments:

I beleive it's a great bill. Add incentives for home owners and it should become a norm in homes.

SUPPORT FOR HB2608 HD1

House Committee on Water and Land
HB2608 HD1 Hearing on Feb. 19, 2026 at 9:00 am
Conference Room 411 and videoconference

My name is John Kawamoto, and I support HB2608 HD1, which encourages the adoption of high-efficiency electric water heating systems utilizing heat pump technology.

Water heating is one of the largest energy uses by Hawai'i households, especially in apartments and condominiums where rooftop solar and solar water heating are not feasible. Encouraging the transition to heat pump water heaters is one of the most cost-effective and practical ways to reduce electricity bills.

Heat pump water heaters use up to 70% less electricity than conventional electric resistance water heaters. For many families, this translates into hundreds of dollars per year in lower electric bills, particularly important in Hawai'i, where electricity prices are among the highest in the nation.

A further advantage of heat pump water heaters is that they accelerate the transition to Hawaii's goal of net negative greenhouse gas emissions by 2045. Electric utilities are required to generate electricity from 100% renewable sources by 2045.

The federal government recently rescinded the tax credit for heat pump water heaters that was previously available to Hawai'i residents. HB2608 helps fill that void.

HB2608 HD1 represents smart energy policy that aligns affordability, equity, and climate responsibility. It is a practical step Hawai'i can take to lower energy costs while accelerating our clean energy transition.

I urge the committee to pass the bill.

HB-2608-HD-1

Submitted on: 2/17/2026 9:46:50 PM

Testimony for WAL on 2/19/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Bernstein	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair Hashem, Vice-Chair Morikawa, and members of the WAL committee,

I'm writing in support of HB2608 HD1, which authorizes building permit variances for certain high-efficiency electric water heating systems utilizing heat pump technology.

This bill provides another pathway for homes to avoid using gas for hot water heating, namely heat pumps. The bill requires that the home also has a PV system as the primary power source for the heat pump. Therefore, this bill's amendment to Section 196-6.5 of the Hawaii Revised Statutes would provide builders with an additional option for building homes with lower carbon footprints and less dependence on fossil fuels.

Over the past few years, heat pumps have become less costly and more energy efficient, making them cost-effective options for hot water heating.

I urge you to pass HB2608 HD1 out of your committee as this bill is simply about providing more options for people to reduce their consumption of fossil fuels, which benefits all of us, as it is a small step in making our state less dependent on fossil fuel imports and helping our state to become cleaner.

Mahalo for the opportunity to testify.

Regards,

Paul Bernstein

Aina Haina, O'ahu

HB-2608-HD-1

Submitted on: 2/18/2026 8:53:40 AM

Testimony for WAL on 2/19/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-2608-HD-1

Submitted on: 2/18/2026 9:56:36 PM

Testimony for WAL on 2/19/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Meehan	Individual	Support	Written Testimony Only

Comments:

Please support HB 2608. Lowering utility costs is so important in Hawaii, a state with incredibly high utility rates. Thank you.

Ted Meehan