

Honolulu, Hawaii

April 29, 2008

RE: S.B. No. 644
S.D. 3
H.D. 3
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 644, S.D. 3, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY RESOURCES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to lessen Hawaii's dependence on fossil fuels by:

- (1) Requiring solar thermal water heaters installed in homes constructed after January 1, 2010, to comply with the standards of any ratepayer financed energy efficiency rebate program administered by an electric utility or public benefits fund administrator that is in effect at the time permits are issued for the home;
- (2) Requiring the Public Benefits Fund Administrator to support compliance verification of solar thermal water



heaters installed in new single-family residences after January 1, 2010; and

- (3) Including in the Public Benefits Fund Administrator duties the responsibilities of:
 - (A) Maintaining or improving current residential solar thermal water heating system standards (standards);
 - (B) Verifying compliance with the standards; and
 - (C) Determining the necessity for, and convening as necessary, an advisory committee to review the standards.

Your Committee finds that crude oil prices have risen to over \$100 per barrel and, with no relief under the State's direct control in sight, the viability of the State's economy is in jeopardy. Part of the response to this situation is to require the installation of solar water heater systems in all new single-family dwellings. Doing so will accelerate the installation of this type of energy saving device, benefit owners and renters of newly constructed homes, and mitigate the impact that reliance on fossil fuels has on our environment and economy. This mandate shifts energy policy away from government investment via tax credits to private sector investment in renewable energy that will result in greater benefit to the public at large.

Accordingly, your Committee has amended this measure by:

- (1) Changing the provision with respect to solar water heaters in new single-family residences to prohibit the issuance of a building permit for a single-family dwelling after January 1, 2010, that does not include a solar water heating system that meets standards to be established by the Public Utilities Commission;
- (2) Permitting the energy resources coordinator to approve a variance from the solar water heater system mandate if installation is impracticable or cost prohibitive, if a substitute renewable energy technology system is to be used, or if a gas-tankless demand water heater device is installed;
- (3) Deleting the provision requiring the Public Benefits Fund Administration to support compliance verification and



deleting the new provisions relating to the Administrator's duties and responsibilities;

- (4) Requiring the Public Utilities Commission to establish standards for solar water heater systems by July 1, 2009, or as soon as reasonably practicable;
- (5) Adding a provision restricting the income tax credit for solar thermal energy systems for single-family residential property to systems for which a building permit was issued prior to January 1, 2010;
- (6) Prohibiting residential home developers from claiming the renewable energy technologies income tax credit for single-family solar thermal, wind energy, and photovoltaic energy systems installed and placed in service in 2009;
- (7) Changing the effective date from July 1, 2020, to upon approval and clarifying that section 4 shall apply to taxable years beginning after December 31, 2008; and
- (8) Making technical nonsubstantive changes for purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 644, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 644, S.D. 3, H.D. 3, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



MAILE SHIMABUKURO, Co-Chair



RON MENOR, Chair




HERMINA MORITA, Co-Chair

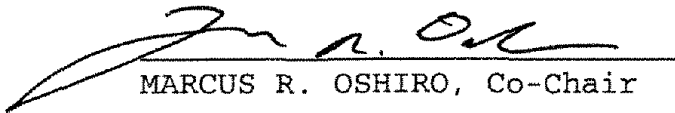


CAROL FUKUNAGA, Co-Chair




KYLE T. YAMASHITA, Co-Chair

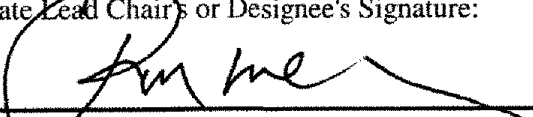


ROSALYN H. BAKER, Co-Chair


MARCUS R. OSHIRO, Co-Chair



Hawaii State Legislature
Record of Votes of a
Conference Committee

OCR 169

Bill / Concurrent Resolution No.: SB 644, SD 3, HD 3					Date/Time: 4/25/08				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
MENOR, Ron, Chr.	X				SHIMABUKURO, Maile S. L., Co-Chr.	X			
FUKUNAGA, Carol, Co-Chr.	X			X	MORITA, Hermina M., Co-Chr.	X			
BAKER, Rosalyn H., Co-Chr.	X				YAMASHITA, Kyle T., Co-Chr.	X			
HOOSER, Gary L.	X				OSHIRO, Marcus R., Co-Chr.	X			
TRIMBLE, Gordon				X	THIELEN, Cynthia	X			
TOTAL	3			2	TOTAL	5	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
Distribution:		Original	Yellow	Pink			Goldenrod		
		File with Conference Committee Report	House Clerk's Office	Senate Clerk's Office			Drafting Agency		