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Testimony of MARK B. GLICK, Chief Energy Officer

## before the SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 23, 2024 10:30 AM State Capitol, Conference Room 211 and Videoconference

In Support of SB 2677, SD1

## RELATING TO ENERGY EFFICIENCY.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 2677, SD1, which amends Section 196-6.5, Hawai'i Revised Statutes, by transferring the authority over solar water heater variances from the state to the counties. This strategic shift recognizes the benefits of decentralizing decision-making processes, allowing counties to tailor solutions to their unique circumstances and fostering increased community engagement.

Transferring solar water heater variance decision-making to the counties capitalizes on the localized expertise present in each jurisdiction. County departments possess an in-depth understanding of the unique environmental, economic, and infrastructural characteristics that define their regions. This localized knowledge is invaluable in assessing the feasibility and impact of solar water heater installations, ensuring that decisions are informed by on-the-ground insights.

Counties, when granted the authority over solar water heater variances, gain the flexibility to design and implement tailored solutions that align with their specific energy goals and priorities. This flexibility allows for the development of policies that address the varying challenges and opportunities that are present and unique in the different

counties, promoting a more effective and targeted approach to processing solar water heater variances.

Empowering counties with the responsibility of managing solar water heater variances can enhance community engagement and representation. Local governments are more accessible to residents, facilitating meaningful public input and discourse. This inclusive approach ensures that decisions regarding variances are made with a thorough understanding of the concerns and preferences of the communities directly affected.

County-level management of solar water heater variances has the potential to streamline decision-making processes and will decentralize and reduce the bureaucratic complexities as well as promote a more agile and responsive system. The shift in management will benefit both applicants and local communities.

Counties that have control over solar water heater variances can adapt more swiftly to evolving technologies and changing circumstances. This adaptability is crucial in the dynamic field of energy efficiency, where innovations and advancements may occur rapidly. Local control enables counties to stay at the forefront of developments and update policies to reflect the latest technological, economic, and environmental considerations.

The bill also gives the counties the ability to assess a processing fee which will help recoup some of the costs associated with implementing the solar water heater variance program.

HSEO has comments on two of the gas tankless water heater amendments.

Amendment (7) on page 3, lines 1-2, requires a home to be located in a low- or moderate-income district. While HSEO agrees with this amendment in concept, there needs to be a clear metric to determine whether the home is in a low- or moderate-income district.

Amendment (8) on page 3, lines 3-4, requires a home be in a community facing the highest risk of wildfires identified by the State. In communities facing the highest risk of wildfires, the installation of gas tankless water heaters that rely on propane or natural gas as a fuel source is questionable since it may add risk to public safety.

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HSEO urges the committee to support the transfer of authority over solar water heater variances from the state to the counties as proposed in SB 2677, SD1. This shift promotes efficiency, community engagement, and the ability to craft policies that are appropriate and better suited to the diverse needs of individual counties.

Thank you for the opportunity to testify.