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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS

Tuesday, March 17, 2026
3:01 PM
State Capitol, Conference Room 224 and Videoconference

Providing Comments on
HB 2608, HD1

RELATING TO WATER HEATING SYSTEMS.

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

HSEO administers solar water heater variance applications pursuant to HRS §196-6.5, under which §196-6.5(a)(1) and (2) specifies 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's Chief Energy Officer 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.

Therefore, to prevent additional unnecessary consumer restrictions, 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 is more restrictive than current practice, as it authorizes approval of a variance only if a high-efficiency electric heat pump water heater is installed in conjunction with a PV system.

Consistent with the written intent of the bill, the language could be moved, to §196-6.5 (a), amending page 3, lines 9 to 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 when installed in conjunction with a renewable technology system, as defined in section 235-12.5, unless the chief energy officer of the Hawaii state energy office approves a variance.

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), as UL does not approve gas appliances. Accordingly, HSEO recommends amending Section 196-6.5 (a)(4) on page 4, lines 6-12:

~~"(4) A demand water heater device approved by Underwriters Laboratories, Inc..."~~

In place of the above, HSEO proposes the following:

"(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