



University of Hawaii at Manoa

Environmental Center
A Unit of Water Resources Research Center
Crawford 317 • 2550 Campus Road • Honolulu, Hawaii 96822
Telephone: (808) 956-7361

RL:01017

HB2319
RELATING TO THE CONSERVATION OF ENERGY

House Committees on
Energy and Environmental Protection
Judiciary
Intergovernmental Relations and International Affairs
Housing

Public Hearing - January 30, 1992
8:30 am, Rm 1310

By
John T. Harrison, Environmental Center
H. Hubbard, Hawaii Natural Energy Institute

HB 2319 would require the installation of solar water heating equipment or heat pumps as a precondition for approval of any residential development projects built using state funds or state lands.

Our statement on this bill does not represent an institutional position of the University of Hawaii.

The Center strongly supports the intent of this measure. We note that the cost figures cited on page 1, lines 12 and 13, reflect retail costs in the present market. In the event that this bill becomes law, the market will expand dramatically. Also, competition among retailers for bid list contracts will exert additional downward pressure on prices. For these reasons, it is likely that the costs of these units will decrease significantly due to the economies of scale.

Following repeal of federal tax incentives for solar water heating and heat pump devices during the Reagan administration, market contraction significantly reduced the diversity of retail and wholesale suppliers of this technology. The resurgence of supply options likely to result from a measure such as this would offer substantial benefits to non-governmental consumers seeking energy-efficient home improvements, thereby additionally serving the intent of the bill to lower energy costs and reduce fossil fuel consumption.

In an environment of dwindling fossil fuel supplies and increasing costs, both of fuel and of electric utility infrastructure expansion, Hawaii cannot afford to lag in aggressive pursuit of alternative energy implementation.