

Honolulu, Hawaii

FEB 16, 2024

RE: H.B. No. 2517
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2517, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to allow the counties to establish, by ordinance, an opt-in program that allows an annual payment in lieu of real property taxes on the land or improvements thereon that are actively used to produce or store renewable energy that is sold to an electric utility.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office; Department of Budget and Fiscal Services of the City and County of Honolulu; Department of Finance - Real Property Tax Division of the County of Hawai'i; Department of Finance of the County of Kaua'i; Ulupono Initiative; Longroad Energy; Hawaii Solar Energy Association; Hawaiian Electric; Clearway Energy Group; and Pacific Biodiesel Technologies, LLC.

Your Committee finds that Act 97, Session Laws of Hawaii 2015, established a one hundred percent renewable portfolio standard for electric utilities by December 31, 2045, which requires that all net electricity sales be from renewable energy sources. Your Committee further finds that several renewable



energy projects have faced drastic property tax increases, which have impacted the financial viability of those projects and created uncertainty for future renewable energy projects. This measure will provide more certainty for developers of renewable energy projects by allowing counties to establish opt-in programs for in-lieu payments of real property taxes.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2517, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2517, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



MARK M. NAKASHIMA, Chair



