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WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1295, H.D. 1

February 20, 2025
12:00 p.m.
Room 308 and Videoconference

RELATING TO CLEAN ENERGY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1295, H.D. 1, requires all State and county agencies to utilize applicable federal clean energy tax credits (CETC), pursuant to the Inflation Reduction Act of 2022 (IRA), for the purchase and financing of renewable energy projects and zero-emission vehicles.

The IRA includes a "direct pay" provision to allow tax-exempt entities who would ordinarily be unable to benefit from CETC, such as State and county governments, to instead receive direct payments for eligible clean energy projects.

B&F notes that it is currently uncertain whether this direct pay provision will still be available in the future. On January 20, 2025, President Trump issued an Executive Order that directed federal executive agencies to freeze disbursements from appropriations in the IRA and Infrastructure Investment and Jobs Act, pending further review.

Thank you for your consideration of our comments.

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Testimony of the Public Utilities Commission

To the
House Committee on
Finance

Thursday, February 20, 2025
12:00 p.m.

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

MEASURE: H.B. 1295, H.D. 1

TITLE: RELATING TO CLEAN ENERGY.

POSITION: The Public Utilities Commission (“Commission”) supports this measure and offers the following comments for consideration.

COMMENTS: The Commission appreciates the intent of this measure to require all state and county agencies to utilize applicable federal clean energy tax credits under the elective pay (also known as “direct pay”) provisions of the Inflation Reduction Act of 2022. These tax credits will support the purchasing and/or financing of capital improvement projects that utilize clean energy technology, and zero-emission vehicles.

The Commission recognizes the fiscal challenges that government agencies may face in trying to finance renewable energy projects and/or acquire zero-emission vehicles in pursuit of aligning with Hawaii’s clean energy and clean transportation targets. Utilization of any available tax credits will likely reduce costs to both government agencies and taxpayers, while continuing to support initiatives to achieve Hawaii’s decarbonization goals.

Thank you for the opportunity to testify on this measure.

HB-1295-HD-1

Submitted on: 2/19/2025 7:19:59 AM

Testimony for FIN on 2/20/2025 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tina Wildberger	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair & FIN Members,

Thank you for your efforts to reduce carbon emissions by encouraging municipal investment in EVs.