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WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1295, H.D. 2

April 3, 2025
10:01 a.m.
Room 211 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. 2, 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 although CETC and the direct pay provision have not yet been affected by any Executive Order or potential federal funding freeze, it is currently uncertain whether it will still be available in the future.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
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Testimony of the Public Utilities Commission

To the
Senate Committee on
Ways and Means

Thursday, April 3, 2025
10:01 a.m.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

MEASURE: H.B. 1295, H.D. 2

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.



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS AND MEANS
Thursday, April 3, 2025 — 10:01 a.m.

Ulupono Initiative supports HB 1295 HD 2, Relating to Clean Energy.

Dear Chair Dela Cruz and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 1295 HD 2, which requires all state and county agencies to utilize applicable federal clean energy tax credits, pursuant to the Inflation Reduction Act of 2022, for the purchase and financing of capital improvement projects that use clean energy technology and zero-emission vehicles.

Ulupono supports this forward-thinking legislation which mandates that all state and county agencies take advantage of the Inflation Reduction Act's elective pay provisions, thus unlocking federal clean energy tax credits that government entities were previously unable to access. By requiring the use of these credits for capital improvement projects utilizing clean energy technology and zero-emission vehicles, Hawai'i will accelerate its progress toward renewable energy goals while maximizing taxpayer value.

To the extent such federal funding is available and accessible, Ulupono strongly encourages state and county agencies to pursue all opportunities to leverage federal funds for local projects. Doing so helps to mitigate cost impacts and creates an ongoing skillset for said agencies to engage at the federal level to secure vital resources. As our communities continue to face the challenges of climate change and energy security, this approach will help reduce our carbon footprint, decrease our dependence on imported fossil fuels, and strengthen our state's position as a leader in clean energy policy.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

HB-1295-HD-2

Submitted on: 4/2/2025 9:16:44 AM

Testimony for WAM on 4/3/2025 10:01:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

This is a no-brainer. Mahalo!