



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE
ON
ENERGY AND ENVIRONMENTAL PROTECTION
Thursday, March 13, 2008
9:00 a.m.
State Capitol, Conference Room 312

in consideration of
SB2986,SD2
RELATING TO REFUNDABLE RENEWABLE ENERGY TAX CREDIT.

Chair Morita, Vice Chair Carroll, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB2986SD2, but strongly recommends adoption of SB2986SD1. This Administration measure to allow for the present renewable energy tax credits to be refundable for those taxpayers with an adjusted gross income of up to \$20,000. Joint filings by a husband and wife would be capped at \$40,000.

At present the statutes governing the renewable energy tax credits are only offered to those with tax liabilities. Therefore, home owners who have no tax liability, such as retired persons on fixed incomes or certain low income families, cannot take advantage of the sizeable tax credits offered. SB2986SD1 would allow residential taxpayers to claim a refund for their investment in renewable energy technologies. Currently, the tax credit is for 35%, with various dollar caps, for the cost to purchase and install solar water heating systems, photovoltaic systems,

and wind systems. Home owners with limited or fixed incomes would benefit from the use of solar water heating or other renewable energy system to reduce their utility costs. Under the present statute, residential taxpayers who do not have a tax liability do not benefit from the renewable energy tax credits. SB2986SD1 will allow the tax credits to be refundable to offset the cost of the renewable system.

During our many community outreach and exhibit efforts, we have often received comments from senior citizen home owners who are not able to claim the present tax credit. These home owners have felt shut out from the tax credit and the benefits of installing renewable energy devices.

Thank you for the opportunity to offer these comments.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawai'i Energy Policy Forum

Mr. Robbie Alm, HECO
Ms. Amy Asselbaye, Ofc of US Rep.
Neil Abercrombie
Ms. Madeleine Austin, World Business
Academy
Ms. Catherine Awakuni, Div. of
Consumer Advocacy
Mr. Warren Bollmeier
Hi Renewable Energy Alliance
Mr. Carlito Caliboso, PUC (Observer)
Mr. Albert Chee, Chevron
Mr. Kyle Datta, U.S. Biofuels
Sen. Kalani English, HI State Senate
Mr. Mitch Ewan, UH HNEI
Mr. Carl Freedman
Haiku Design and Analysis
Mr. Mark Glick, OHA
Mr. Steve Golden, The Gas Company
Dr. Michael Hammett, RCUH
Ms. Paula Helfrich, EDAH
Mr. William Kaneko, HI Institute for
Public Affairs
Mr. Maurice Kaya, DBEDT
Mr. Darren Kimura, Energy Industries
Holdings
Mr. Mike Kitamura, Ofc of US Sen.
Daniel K. Akaka
Mr. Kal Kobayashi, Maui County
Mr. Laurence Lau, DOH
Ms. Yvonne Lau, Ofc of US Rep.
Mazie Hirono
Mr. Ailyn Lee, C&C of HNL
Mr. Aaron Leong, Ofc of US Senator
Daniel K. Inouye
Dr. Stephen Meder, AIA-Honolulu
Sen. Ron Menor, HI State Senate
Mr. Jeff Mikulina, Sierra Club
Dr. Bruce Miller, UH Ofc of
Sustainability
Dr. Sharon Miyashiro, Social
Sciences Public Policy Ctr.
Rep. Hermina Morita, HI State
House of Representatives
Mr. Tim O'Connell, USDA/Rural
Development
Mr. Richard Paglinawan
Pa Ku'i A Lua
Ms. Melissa Pavlicek, Western States
Petroleum Assn
Mr. Randy Perreira, HI State AFL-CIO
Mr. Rick Reed, Inter-Island
Solar Supply
Dr. Rick Rocheleau, UH HNEI
Mr. Peter Rosegg, HECO
Mr. Steven Rymsha, KIUC
Mr. Riley Saito, PowerLight Corp.
Mr. Glenn Sato, Kauai County OED
Ms. Carilyn Shon, DBEDT
Mr. Bill Short, BIA of Hawaii
Mr. Ray Starling, HI Energy Grp
Mr. Lance Tanaka, Tesoro HI Corp
Dr. Don Thomas, UH Center for the
Study of Active Volcanoes
Mr. Murray Towill, Hawai'i
Hotel Assn
Ms. Joan White, Hon Community
Action Program

Testimony of
Warren Bollmeier
Co-Chair – Renewable Energy Working Group
Hawai'i Energy Policy Forum

House Committee on Energy & Environmental Protection
Thursday, March 13, 2008
9:00 a.m.
Conference Room 312

**IN SUPPORT OF SB 2986, SD 2 - Relating to Refundable Renewable Energy
Tax Credit**

I am Warren Bollmeier, Co-Chair of the Renewable Energy Working Group of the Hawaii Energy Policy Forum ("Forum"). The Forum is comprised of 45 representatives from the electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. We have been meeting since 2002 and have adopted a common vision and mission, and a comprehensive "10 Point Action Plan," which serves as a framework and guide for meeting our preferred energy vision and goals.

The Forum supports the passage of SB 2986, SD 2 as it helps achieve the goal of Point One - expand renewable energy opportunities. The purpose of SB 2986, SD 2 is to allow a taxpayer whose income consists solely of pension benefits or has an unspecified adjusted gross income to qualify for a refundable tax credit for the purchase and installation of a renewable energy technology, including solar water heating, photovoltaic systems, and wind systems.

Thank you for this opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies or organization

Testimony before the
House Committee on
Energy & Environmental Protection

S. B. 2986, SD2 - Relating to Refundable Renewable Energy Tax Credit

Thursday, March 13, 2008
9:00 a.m., Conference Room 312

by Keith Block
Director, Customer Efficiency Programs
Hawaiian Electric Company, Inc.

Chair Morita, Vice Chair Carroll and Members of the Committee:

My name is Keith Block and I am testifying on behalf of Hawaiian Electric Company, Inc., and its subsidiaries, Maui Electric Company (MECO) and Hawaii Electric Light Company, Inc. (HELCO).

**Hawaiian Electric supports the use and development of
renewable energy and supports SB 2986 SD2.**

Hawaiian Electric has been encouraging the use of renewable energy through its residential solar water heating program for over 11 years. In that time the companies have provided rebates to over 39,000 customers for the installation of solar water heating systems on their homes.

Tax credits are a vehicle which the legislature has used successfully for many years. Making the renewable energy technology tax credit refundable for Hawaii residents who are exempt from taxation or who have low adjusted gross incomes should make these systems more affordable and accelerate Hawaii's transition to increased use of renewable energy. Increasing the penetration of renewable energy systems is consistent with the State's energy policy and supports achieving established Renewable Energy Portfolio Standards.

Thank you for this opportunity to testify

HAWAII RENEWABLE ENERGY ALLIANCE

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Herbert M. (Monty) Richards
Kahua Ranch Ltd.

TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION

SB 2986 SD1, RELATING TO REFUNDABLE RENEWABLE ENERGY TAX CREDIT

January 31, 2008

Chair Fukunaga, Vice-Chair Espero and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of 2986 SD1 is to allow a taxpayer with an adjusted gross income of \$20,000 or less to take a refundable tax credit for the purchase and installation of a renewable energy technology, which includes solar water heating, photovoltaic, and wind systems. HREA strongly supports this bill with the following comments:

1. The bill provides an option to those consumers that don't have a "tax credit" appetite; and
2. We believe this will encourage additional private investment in wind and solar technologies, thus contributing to our RPS.

Thank you for this opportunity to testify.

Janice Lehner

From: rodney q [quibrantr001@hawaii.rr.com]
Sent: Wednesday, March 12, 2008 7:02 AM
To: EEPtestimony
Subject: Testimony SB2986 SD2

Rodney Quibrantos (Private Citizen)
Committee on Energy & Environmental Protection
March 13, 2008 9:00AM
SB2986 SD2

Chair Rep. Hermina M. Morita, Vice Chair Rep. Mele Carroll and committee members,

I fully support passage of SB2986 SD2 out of your committee.

The refund of the tax credit will allow senior citizens to:

- be able to claim the tax credit
- have entire tax credit in cash, in their hands in a year or less instead of being spread over years
- have another option to combat rising electricity cost
- take advantage of special loan offers (ex. no interest for the first year) offered by some solar energy contractors
- improve safety with the inspection and updating of the electrical system of their homes.

With oil prices at record highs, expect HECO to gladly pass that cost to everyone's electric bill. Conservation can only do so much to blunt the rising cost of electricity but the installation of a solar water heating , a photovoltaic system or wind generators will greatly reduce electricity cost for senior citizen homeowners. The loss of \$41,000 in loss revenue, as estimated by the Department of Taxation, with the passage of this bill is a small price to pay in helping to empower senior citizens homeowners to reduce their electric bill.

Thank you for this opportunity to testify.

3/12/2008

Janice Lehner

From: Chuck Prentiss [prentissc001@hawaii.rr.com]
Sent: Monday, March 10, 2008 10:16 PM
To: EEPtestimony
Subject: Fw: Testimony in favor of SB2986 SD2

----- Original Message -----

From: Chuck Prentiss
To: repmorita@capitol.hawaii.gov
Sent: Monday, March 10, 2008 10:11 PM
Subject: Testimony in favor of SB2986 SD2

Representative Hermina Morita, Chair, EEP
Thursday, March 13, 2008, 9:00 AM,
House Conf. Room 312

Charles Prentiss, Testimony in favor of SB2986 SD2 Relating to Renewable Energy Tax Credit

Senior citizens who want to install alternative energy systems need this measure to pass because many do not now qualify for any tax credit incentive as do most non-seniors. Please pass this measure.