

Honolulu, Hawaii **FEB 14**, 2020 RE: H.B. No. 202

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 202 entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the renewable energy technologies income tax credit by amending credit amounts for solar water heater systems, other solar energy systems, and wind energy systems; allowing credits to be claimed for energy storage systems; and allowing planned community associations, condominium associations, and cooperative housing corporations to claim the credit.

Your Committee received testimony in support of this measure from 350Hawaii.org, EAH Housing, and seven individuals. Your Committee received comments on this measure from the Department of Taxation, Hawaii State Energy Office, Tax Foundation of Hawaii, Hawaii Solar Energy Association, Hoohana Solar 1 LLC, Verity CPAs, Tesla, and Adon Renewables.

Your Committee finds that it is important to provide developers of utility-scale renewable energy projects with certainty that the existing renewable energy technologies tax credit will still apply to projects that have already been approved by the Public Utilities Commission in 2019 and are



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currently under development, upon their ultimate completion. Such assurance will help reduce risks and costs for developers and increase the number of developers willing to propose and develop renewable energy projects in Hawaii.

Your Committee has amended this measure accordingly by deleting the proposed amendments to the renewable energy technologies income tax credit and inserting language to instead amend the existing renewable energy technologies tax credit by:

- (1) Repealing the availability of the tax credit for solar energy systems and wind-powered energy systems for commercial properties for taxable years beginning after December 31, 2019, except for taxpayers subject to a power purchase agreement approved by a decision and order issued by the Public Utilities Commission prior to December 31, 2019;
- (2) Increasing the tax credit for solar water heater systems, other solar energy systems, and wind-powered energy systems for multi-family residential properties to \$750 per unit per system;
- (3) Making the entire renewable energy technologies income tax credit unavailable after December 31, 2045; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion and making the measure, upon its approval, apply to taxable years beginning after December 31, 2019.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 202, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 202, H.D. 1, and be referred to your Committee on Finance.



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Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

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NICOLE E. LOWEN, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HBZ02	Committee Referral: EEP, FIN	Date:	Date: 2, 4.20		
 The committee is reconsidering its previous decision on the measure. 					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 					
EEP Members	Ayes	Ayes (WR)	Nays	Excused	
1. LOWEN, Nicole E. (C)	~				
2. WILDBERGER, Tina (VC)					
3. HAR, Sharon E.					
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4. TARNAS, David A.					
5. TODD, Chris			a service <u>proven</u>		
6. YAMANE, Ryan I.				<u></u>	
7. THIELEN, Cynthia	\rightarrow	$(\) \mathcal{R}$	-		
TOTAL (7)	le le				
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					

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