STAND. COM. REP. NO. 1004-20

Honolulu, Hawaii

FEB 28 , 2020

RE: H.B. No. 202

H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 202, 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:

- (1) Repeal the renewable energy technologies 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) Increase the renewable energy technologies tax credit for solar water heater systems, other solar energy systems, and wind-powered energy systems for multifamily residential properties; and
- (3) Make the renewable energy technologies tax credit unavailable after December 31, 2045.

Your Committee received testimony in support of this measure from ADON, Hoohana Solar 1 LLC, and four individuals. Your

Committee received testimony in opposition to this measure from the Hawaii PV Coalition, Hawaii Solar Energy Association, and one individual. Your Committee received comments on this measure from the Hawaii State Energy Office; Department of Taxation; Tax Foundation of Hawaii; Hawaiian Electric; Ulupono Initiative; 350Hawaii.org; Innergex Renewables USA, LLC; Clearway Energy Group; and eight individuals.

Your Committee has amended this measure by:

- (1) Specifying that solar energy systems installed and placed in service for commercial property, pursuant to a power purchase agreement approved or pending approval by the Public Utilities Commission prior to December 31, 2019, shall continue to receive the renewable energy technologies income tax credit at thirty-five percent, until the entire tax credit becomes unavailable after December 31, 2045; and
- (2) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 202, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 202, H.D. 2.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

## State of Hawaii House of Representatives The THIRTIETH Legislature

H5CR1004-20

## Record of Votes of the Committee on Finance

Bill/Resolution No.: HD1 Committee	Referral:	Date:	2.21.2	020
☐ 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	/			
2. CULLEN, Ty J.K. (VC)				
3. ELI, Stacelynn K.M.				
4. GATES, Cedric Asuega				
5. HASHIMOTO, Troy N.				
6. HOLT, Daniel	<b>V</b>			
7. KITAGAWA, Lisa	<b>/</b>			
8. KOBAYASHI, Bertrand	<u> </u>			
9. MATAYOSHI, Scot Z.				
10. NAKAMURA, Nadine K.			•	1 <del>-</del> 1
11. NISHIMOTO, Scott Y.				
12. TODD, Chris	<i>V</i>			
13. WILDBERGER, Tina				
14. YAMASHITA, Kyle T.				
15. McDERMOTT, Bob				
		-		
TOTAL (15)	12_	0		7
The recommendation is:	☐ Not Adopted	d	-	
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				