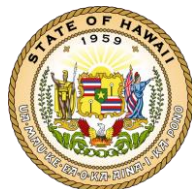


JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
Ka 'Oihana 'Auhau
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 1261, Relating to Renewable Energy

BEFORE THE:

Senate Committee on Energy, Economic Development, and Tourism and Senate Committee on Government Operations

DATE: Thursday, February 9, 2023

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 229

Chairs DeCoite and McKelvey, Vice-Chairs Wakai and Gabbard, and Members of the Committees:

The Department of Taxation ("Department") offers the following comments regarding S.B. 1261 for your consideration.

S.B. 1261 amends chapter 196, Hawaii Revised Statutes (HRS), by adding a new section to be designated, "Distributed energy resource installation for state facilities; reports." This bill requires state facilities to prepare a report assessing the feasibility of installing "distributed energy resource systems" at each facility. This bill also gives priority for the required energy efficiency measures to first responder facilities, and requires that the departments implement and install distributed energy resource systems no later than five years from the date of applicable report submission.

This bill further provides that no entity shall claim tax credits or deductions, or depreciate assets under title 14 for implementing energy efficiency measures pursuant to this section. The bill is effective upon approval.

The Department notes that State departments are non-taxable entities. Accordingly, any tax benefits afforded under title 14 would not apply to the State departments.

The Department further notes that it is able to implement the tax provision in this measure with the current effective date.

Thank you for the opportunity to provide comments on this measure.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of The Hawaii Solar Energy Association (HSEA) Regarding SB1261, Relating to Renewable Energy, Before the Senate Committee on Energy, Economic Development, and Tourism and the Senate Committee on Government Operations

Thursday, February 9, 2023

Aloha Chairs DeCoite and McKelvey, Vice Chairs Wakai and Gabbard, and committee members:

The Hawaii Solar Energy Association (HSEA) **supports SB1261**, which requires the State to assess the feasibility of installing distributed, on-site solar and energy storage at all its facilities, install all feasible measures within five years, and prioritize first responder facilities.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the state along with leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse green economy jobs that are innovating, designing, and building Hawaii's pathway to a renewable energy future. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy. Rooftop solar PV is the leading contributor to Hawaii's clean energy portfolio, making up 44.6% of all renewable energy in the state.¹ These investments provide reliable and affordable power that reduces energy cost burden for all and contributes to energy security as we decarbonize our economy and electric grid.

Distributed, on-site solar and energy systems provide resilient and affordable clean energy. Installing these measures in all feasible state facilities, and in particular at first responder sites, will aid Hawaii in achieving critical public policy priorities including the need to mitigate and adapt to the impacts of global heating. These measures will create jobs, bring maintenance costs down for the State, and save taxpayer expense.

HSEA **supports SB1261** and respectfully urges the committee to advance this measure.

Thank you for the opportunity to testify.

¹ See Hawaiian Electric's "Key Performance Metrics, Renewable Portfolio Standard compliance" available at <https://www.hawaiianelectric.com/about-us/key-performance-metrics/renewable-energy>.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Sincerely,

/s/ Rocky Mould

Rocky Mould
Executive Director



To: The Senate Committee on Energy and Economic Development, and Tourism (EET)
and
The Senate Committee on Government Operations (GVO)
From: Sherry Pollack, 350Hawaii.org
Date: Thursday, February 9, 2023, 1pm

In strong support of SB1261

Aloha Chairs DeCoite and McKelvey, Vice Chairs Wakai and Gabbard, and members of the EET and GOV committees,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of SB1261** that requires state facilities to implement and install distributed energy resource systems, and giving priority for the required energy efficiency measures to first responder facilities.

HB1261 is an opportunity for the State to lead by example in decarbonization while building our resilience to future disasters and emergencies. Solar and battery storage is one of the most cost-effective ways to reduce greenhouse gas emissions and other pollutants associated with electricity generation and consumption. HB1261 would leverage all rooftops and parking lots of state buildings/facilities to maximize on-site renewable energy generation plus storage. The cost to install solar plus storage will be made up by savings on energy/utility bills. This will save taxpayers money. Solar pays for itself in a few years, and then saves a great deal of money in the long term. Currently, energy used to power buildings accounts for more than fifty per cent of the electricity consumed in the State, yet the State has not undertaken efforts to maximize on-site renewable energy production at many of its own facilities, foregoing millions of dollars in potential savings.

With the priority in the deployment of these solar system going to first responder facilities, SB1261 is an important step that will help expedite building our State's resiliency. Should/when our grid is knocked out from an extreme weather event or other disaster, first responder facilities, and all other state agency facilities equipped with these solar systems, will continue to have electricity and thus continue to be able to function. Moreover, extreme weather events can result in severe damages to port infrastructure at the State's harbors, resulting in disruption of port activity and the delay or loss of cargo shipments, including those containing emergency supplies and supplies needed to run generators. With solar plus storage, fossil fuel run generators would not be needed.

We have to look no further than another island community, Puerto Rico, to see what can happen as a result of the stronger storms and hurricanes occurring as a result of global warming. Solar plus storage has been a life-line to the people of Puerto Rico who were fortunate to have it after their grid was

knocked out from Hurricane Fiona. For example, during the last hurricane, in the coastal city of Guánica, the local fire station managed to keep its lights and critical communications systems running during the storm thanks to their solar plus storage system. It is noted that during previous events such as Hurricane Maria and a 2020 earthquake — before the fire station had its solar-plus-battery system — firefighters were unable to receive calls over the radio during outages and instead had to rely on people yelling for help.

The growing climate crisis threatens the health and well-being of our state. If we are better prepared for that disaster that is bound to hit, we will save lives and be able to recover faster from whatever disaster has occurred. **Essentially, this bill will help state government continue to function, especially first responders, so they can help us.**

Bottomline: SB1261 saves us money while protecting the climate. It will also probably save lives. Please pass SB1261.

Thank you for the opportunity to testify in **strong support** of this very important measure.

Sherry Pollack
Co-Founder, 350Hawaii.org

SB-1261

Submitted on: 2/8/2023 12:50:22 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dave Mulinix	Testifying for Our Revolution Hawaii	Support	Remotely Via Zoom

Comments:

Aloha Committee,

On behalf of Our Revolution Hawaii's 5,000 members and supporters statewide, we stand in Strong Support of passing SB1261 which is designed to build our resilience by requiring state facilities to implement and install solar plus storage at their facility, giving priority for the required energy efficiency measures to first responder facilities.

SB1261 is an opportunity for the State to lead by example in decarbonization while building our resilience to future disasters and emergencies.

Passing SB1261 is a win-win for everyone, and has three major benefits:

First, although SB1261 requires all state facilities install solar plus storage, a priority in the deployment will go to buildings/facilities that are for “first responders” such as fire stations, as these are critical facilities in the case of an emergency/disaster. By doing so, we would build our resilience in the case of disasters that affect power/energy supply. This measure would build the State's resilience, and would enable first responders to have the ability to fully function despite disruptions to the electric grid and port activity, which would be crucial in the event of a disaster, and could save lives.

We have to look no further than another island community, Puerto Rico, to see what can happen as a result of the stronger storms and hurricanes occurring as a result of global warming. Solar plus storage has been a life line to the people of Puerto Rico who were fortunate to have it after their grid was knocked out from Hurricane Fiona. For example, during the last hurricane, in the coastal city of Guánica, the local fire station managed to keep its lights and critical communications systems running during the storm thanks to their solar plus storage system. It is noted that during previous events such as Hurricane Maria and a 2020 earthquake — before the fire station had its solar-plus-battery system — firefighters were unable to receive calls over the radio during outages and instead had to rely on people yelling for help.

Second SB1261 will save the State millions of dollars on electric bills. The installation of on—site distributed energy resources, such as rooftop solar and battery storage, is not only one of the most cost—effective ways to reduce greenhouse gas emissions and other pollutants associated with electricity generation and consumption, but also provides affordable and resilient power for the State's energy system users. Currently, energy used to power buildings accounts for more

than fifty per cent of the electricity consumed in the State, yet the State has not undertaken efforts to maximize on-site renewable energy production at many of its own facilities, foregoing millions of dollars in potential savings. In addition the cost to install solar plus storage will be made up by savings on energy/utility bills. Solar pays for itself in a few years, and then saves a great deal of money in the long term.

Third we strongly support SB1261 because the growing climate crisis threatens the health and well-being of our state. Stronger storms as a result of global warming are more likely to cause power outages, and extreme weather events can result in severe damages to port infrastructure. To effectively address the growing climate crisis, Hawaii needs to move towards a fully decarbonized economy with earnest. With the abundant sun we are blessed with, the move to solar and battery storage is a no-brainer. Solar is one of the most potent tools Hawaii has for reducing our greenhouse gas emissions and it pays for itself in a few years, and then saves a great deal of money in the long term. The State can and should lead by example on reducing greenhouse gas emissions. SB1261 is an effective strategy that will do that.

Please pass SB1261 it is a win-win for all the people of Hawaii.

Mahalo for your kind attention,

Dave Mulnix, Cofounder & Hawaii State Organizer

Our Revolution Hawaii

SB-1261

Submitted on: 2/7/2023 2:54:19 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Testifying for Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

We strongly support SB1261. Every state facility should lead by example with the installation of solar energy, wherever possible. It builds our resiliency in times when the grid is down if sufficient battery backup is provided. It will be critical in the case of first responder facilities. It will, in the not so long term, save the state money on utility bills. Most importantly it helps set the pace for decarbonizing are buildings which contribute a significant amount to our carbon emissions. Energy from the sun is plentiful, our time to respond to the climate crisis is not.



Email: communications@ulupono.com

SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, & TOURISM AND
GOVERNMENT OPERATIONS

Thursday, February 9, 2023 — 1:00 p.m.

Ulupono Initiative supports SB 1261, Relating to Renewable Energy.

Dear Chair DeCoite, Chair McKelvey, and Members of the Committees:

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 SB 1261, which requires State facilities to prepare a report assessing the feasibility of installing distributed energy resource systems at each facility; requires State facilities to implement and install the distributed energy resource systems detailed in the reports no later than five years from the issue date of the reports; and, gives priority for the required energy efficiency measures to first responder facilities.

However, we suggest that first-responder facilities be given priority not only for energy efficiency measures but also, and especially for, distributed energy resource systems as defined in this bill. We believe this is an important change because energy efficiency lowers bills but does not improve resiliency, whereas distributed energy resource systems—most often solar photovoltaic (PV) with storage—does improve a facility's resiliency.

Ulupono supports the State's 100% renewable energy goal by 2045. With such a commitment, it serves both our government and the public for the State to lead by example by first assessing its own facilities for PV feasibility and then acting on it in the near future. This bill seeks to lower energy bills, fight climate change with responsible government renewable energy adoption, and increase the resiliency of State and first-responder facilities, especially with storage. This approach is a triple-win strategy for Hawai'i.

As our energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support our clean energy future.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



Environmental Caucus of The Democratic Party of Hawai'i

To: The Honorable Lynn DeCoite, Chair
The Honorable Glenn Wakai, Vice Chair
Committee on Energy, Economic Development, and Tourism

The Honorable Angus L.K. McKelvey, Chair
The Honorable Mike Gabbard, Vice Chair
Committee on Government Operations

Re: **SB 1261 – RELATING TO RENEWABLE ENERGY**

Hearing: Thursday, February 9, 2023, 1:00 p.m., Conference Room 229 & Videoconference

Position: **Strong support**

Aloha, Chairs DeCoite and McKelvey, Vice Chairs Wakai and Gabbard, and Members of the Committee on Energy, Economic Development, and Tourism and Committee on Government Operations:

The Environmental Caucus of the Democratic Party of Hawai'i stands in strong support of SB 1261. This measure requires (1) state facilities to prepare a report assessing the feasibility of installing distributed energy resource systems at each facility; (2) requires state facilities to implement and install the distributed energy resource systems detailed in the reports no later than five years from the issue date of the reports; and (3) gives priority for the required energy efficiency measures to first responder facilities.

This bill supports our policy to eliminate dependence on fossil fuels and other dirty energy sources by the installation of solar photovoltaic panels on all state facilities giving priority to first responders. We consider this a “lead by example bill” wherein equipping state facilities with solar photovoltaic energy systems will incentivize the general public to solarize its commercial buildings and residential dwellings.

The Democratic Party of Hawai'i Platform plank on the environment provides that its members are to “protect and preserve Hawai'i's environment and achieve energy sustainability, advance measures to re-establish a healthy climate and environment for humans and fellow species, including actions to urgently address climate change, and work towards 100% renewable energy goals.

We believe that all people have the right to live in a clean, healthy and safe environment. We believe that the preservation of our natural environment and its ecological well-being is essential to ensuring a safe, healthy, bountiful life for future generations in Hawai'i. We support policies that create a more sustainable society. We support the restoration, preservation, and protection of native ecosystems.

We believe in the resource management principles outlined in the Public Trust doctrine of [Article XI, Section 1 of] the Hawai'i State Constitution. . . .

We believe that a key part of a sustainable and self-sufficient future for Hawai'i lies in achieving energy independence through a transition to clean renewable energy sources. We support policy that eliminates our dependence on fossil fuels and other dirty energy sources.” [OUR PLATFORM | DPH \(hawaiidemocrats.org\)](#)



February 9, 2023

Page 2

By requiring (1) state facilities to prepare a report assessing the feasibility of installing distributed energy resource systems at each facility; (2) requiring state facilities to implement and install the distributed energy resource systems detailed in the reports no later than five years from the issue date of the reports; and (3) giving priority to the required energy efficiency measures to first responder facilities are consistent with the state and counties' duties under the Public Trust Doctrine and the DPH Platform environmental goals toward a sustainable and self-sufficient future by achieving energy independence via transitioning to clean renewable energy sources.

Please support and pass this bill.

Mahalo for the opportunity to testify on this measure.

/s/ Melodie Aduja and Alan Burdick

Co-Chairs, Environmental Caucus of the Democratic Party of Hawai'i

SB-1261

Submitted on: 2/8/2023 7:59:57 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sara DiGrazia	Individual	Support	Remotely Via Zoom

Comments:

Dear Senators,

My name is Sara DiGrazia. I am a kama'aina resident of Kailua and mom of two precious children who speak frankly of not having children due to their *supported* fears regarding climate change and widespread environmental degradation. I ask you to support SB1261 as another means of making Hawai'i a more climate resilient state.

-Sara DiGrazia, Psy.D.

SB-1261

Submitted on: 2/7/2023 8:21:25 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joan Gannon	Individual	Support	Written Testimony Only

Comments:

Aloha this is Joan Gannon from South Kona asking you to vote for SB1261. I strongly support this. Bill because it will save lives. Thank you for your service

Joan

SB-1261

Submitted on: 2/7/2023 10:27:49 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dawn Morais Webster Ph.D.	Individual	Support	Written Testimony Only

Comments:

As a baby boomer, I am overcome by how much damage my generation has caused to the planet. It's time we took steps to make amends and repair. This bill will help do that. Please move it forward. Mahalo.

SB-1261

Submitted on: 2/7/2023 10:55:06 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

The State govt. needs to lead by example. Hawaii needs Distributed Energy Resources to minimize climate damage without converting land that is needed for agriculture and housing to energy production that can be accomplished using existing structures.

SB-1261

Submitted on: 2/7/2023 11:21:13 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tadia Rice	Individual	Support	Written Testimony Only

Comments:

I strongly support **SB1261** which *would require state facilities implement and install solar plus storage at their facilities, giving priority for the required energy efficiency measures to **first responder** facilities. The growing climate crisis threatens the health and well-being of our state. Stronger storms as a result of global warming are more likely to cause power outages, and extreme weather events can result in severe damages to port infrastructure. This measure would build the State's resilience, and would enable first responders to have the ability to fully function despite disruptions to the electric grid and port activity, which would be crucial in the event of a disaster, and could **save lives**. Please pass this important bill and give us all peace of mind. Mahalo!*

Further, B1261 would save the State money on electric bills. The installation of on—site distributed energy resources, such as rooftop solar and battery storage, is not only one of the most cost—effective ways to reduce greenhouse gas emissions and other pollutants associated with electricity generation and consumption, but also provides affordable and resilient power for the State's energy system users. Currently, energy used to power buildings accounts for more than fifty per cent of the electricity consumed in the State, yet the State has not undertaken efforts to maximize on—site renewable energy production at many of its own facilities, foregoing millions of dollars in potential savings.

SB1261 addresses the climate crisis, and Hawaii needs to move towards a fully decarbonized economy with earnest. With the abundant sun we are blessed with, the move to solar and battery storage is a no-brainer. Solar is one of the most potent tools Hawaii has for reducing our greenhouse gas emissions and it pays for itself in a few years, and then saves a great deal of money in the long term. The *State* can and should *lead by example on reducing greenhouse gas emissions*. SB1261 is an effective strategy that will do that.

Mahalo.

SB-1261

Submitted on: 2/7/2023 1:23:40 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
tlaloc tokuda	Individual	Support	Written Testimony Only

Comments:

Aloha EET/GVO Chairs, Vice Chairs & Committees,

-I strongly support **SB1261** which *would require state facilities implement and install solar plus storage at their facilities, giving priority for the required energy efficiency measures to **first responder** facilities. The growing climate crisis threatens the health and well-being of our state. Stronger storms as a result of global warming are more likely to cause power outages, and extreme weather events can result in severe damages to port infrastructure. This measure would build the State's resilience, and would enable first responders to have the ability to fully function despite disruptions to the electric grid and port activity, which would be crucial in the event of a disaster, and could **save lives**. Please pass this important bill and give us all peace of mind. Mahalo!*

-**SB1261 would save the State money on electric bills.** The installation of on—site distributed energy resources, such as rooftop solar and battery storage, is not only one of the most cost—effective ways to reduce greenhouse gas emissions and other pollutants associated with electricity generation and consumption, but also provides affordable and resilient power for the State's energy system users. Currently, energy used to power buildings accounts for more than fifty per cent of the electricity consumed in the State, yet the State has not undertaken efforts to maximize on—site renewable energy production at many of its own facilities, foregoing millions of dollars in potential savings.

I strongly support SB1261. To address the climate crisis, Hawaii needs to move towards a fully decarbonized economy with earnest. With the abundant sun we are blessed with, the move to solar and battery storage is a no-brainer. Solar/PVs are one of the most potent tools Hawaii has for reducing our greenhouse gas emissions and it pays for itself in a few years, and then saves a great deal of money in the long term. The *State* can and should *lead by example on reducing greenhouse gas emissions*. SB1261 is an effective strategy that will do that.

Mahalo for your consideration

tlaloc tokuda

Kailua Kona, HI 96740

SB-1261

Submitted on: 2/7/2023 2:37:30 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keith Neal	Individual	Support	Written Testimony Only

Comments:

Suport

Hawaii desperately needs to streamline solar permitting. An online app, such as SolarAPP+ is already working in CA and has shortened waiting times for permits

SB-1261

Submitted on: 2/7/2023 3:01:39 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
pamela burrell	Individual	Support	Written Testimony Only

Comments:

Dear. honorable Senators,

This bill is planning for the future...SB1261 will leverage all rooftops and parking lots of state buildings/facilities to maximize on-site renewable energy generation + storage. The cost to install solar plus storage will be made up by savings on energy/utility bills. **A priority in the deployment will go to buildings/facilities that are for “first responders” such as fire stations, as these are critical facilities in the case of an emergency/disaster.** By doing so, we would build our resilience in the case of disasters that affect power/energy supply. In addition, this will save taxpayers money from reduced electric bills for state facilities. Solar pays for itself in a few years, and then saves a great deal of money in the long term.

win win win win

regards, pamela burrell, Kalihiwai, Kaua'i

SB-1261

Submitted on: 2/8/2023 8:29:36 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Valerie Barnes	Individual	Support	Written Testimony Only

Comments:

This bill would enhance our State's resilience, particularly that of our first responders. I strongly agree that State facilities must have solar to reduce our consumption of fossil fuels to fight climate change. Please pass this bill.

SB-1261

Submitted on: 2/8/2023 8:54:34 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald "Ron" Reilly	Individual	Support	Written Testimony Only

Comments:

Dear Committee Members,

I support SB1261 to increase the State's resilience by requiring solar plus storage for state facilities.

Thank you , Ron Reilly

SB-1261

Submitted on: 2/8/2023 10:43:12 AM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support

LATE

SB-1261

Submitted on: 2/8/2023 2:28:58 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Katherine Fryer	Individual	Support	Written Testimony Only

Comments:

I strongly support SB1261. This bill would require state facilities to install solar panels and battery storage, giving priority for the required energy efficiency measures to first responder facilities. Due to climate change and warming ocean temperatures, Hawaii faces an increasing risk of severe hurricanes which could disrupt port activity and centralized electric power sources. This bill would provide first responders with local, renewable power sources, enabling to them fully function in the event of natural disasters.

LATE

SB-1261

Submitted on: 2/8/2023 10:12:47 PM

Testimony for EET on 2/9/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

Strong support