



The **Solar Alliance**

**LATE**

TESTIMONY OF THE SOLAR ALLIANCE AND THE HAWAII PV COALITION  
IN REGARD  
HB 2005 RELATING TO RENEWABLE ENERGY TECHNOLOGIES  
BEFORE THE  
BEFORE THE HOUSE COMMITTEE ON FINANCE  
ON  
TUESDAY, FEBRUARY 26, 2008 AT 11:00AM

Chair Oshiro, Vice-Chair Lee and Members of the Committee.

The Hawaii PV Coalition is a non-profit organization that represents installers, suppliers, manufacturers and customers of solar electric systems in the state of Hawaii.<sup>1</sup> The Solar Alliance is a state-focused alliance of solar manufacturers, integrators and financiers dedicated to accelerating the promise of photovoltaic (PV) energy in the United States.<sup>2</sup> The Hawaii PV Coalition and the Solar Alliance supports HB 2005. We believe broadening the access to the tax credit will help diversify Hawaii's energy markets and reduce Hawaii's dependence on imported energy.

We also ask the Committee to modify the current legislation to allow for the transferring of the tax credit through inserting in Section 1 "The owner of a facility may transfer a tax credit for the facility in exchange for a cash payment equal to the present value of the tax credit." This provision will also help to increase solar energy in Hawaii thereby diversifying Hawaii energy markets and reduces Hawaii's dependence on imported energy.

Currently, the tax credit is transferable within a partnership. However, this is a much more complex and cumbersome process, and results in difficulties structuring effective projects. The end result is higher costs.

The State of Oregon has a simple pass-through/transfer provision (similar to the one requested above) that has been helpful in expanding their solar program. In this system a project owner may transfer a tax credit to a partner in return for a lump-sum cash payment (the net present value of the tax credit) upon completion of the project. This system allows non-profit organizations, schools, governmental agencies, tribes, other

---

<sup>1</sup> The Hawaii PV Coalition, <http://www.hawaiipvcoalition.org/>

<sup>2</sup> The Solar Alliance, <http://solaralliance.org/>

public entities and businesses with and without tax liability to use the tax credit by transferring their tax credit for an eligible project to a partner with a tax liability.<sup>3</sup>

Making these credits easier to use will help Hawaii create fixed cost of energy, reducing the dependence of imported fuels, and expand the use of local natural and human resources.

We would like to thank the Committee for the opportunity to submit testimony and for the Committee's consideration.

---

<sup>3</sup>DSIRE Incentives by State Incentives in Oregon,  
[http://www.dsireusa.org/library/includes/incentive2.cfm?Incentive\\_Code=OR03F&state=OR&CurrentPageID=1](http://www.dsireusa.org/library/includes/incentive2.cfm?Incentive_Code=OR03F&state=OR&CurrentPageID=1)