



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

**LINDA LINGLE**  
GOVERNOR  
**THEODORE E. LIU**  
DIRECTOR  
**MARK K. ANDERSON**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**THEODORE E. LIU**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON  
ENERGY & ENVIRONMENTAL PROTECTION**  
Tuesday, February 5, 2008  
8:45 a.m.  
State Capitol, Conference Room 312

in consideration of  
**HB3064**  
**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 HB3064, which is an 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. This proposed bill would allow residential taxpayers to claim a refund for their investment in renewable energy technologies. At present 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. This bill 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.

Testimony before the  
House Committee on  
Energy & Environmental Protection

H. B. 3064 - Relating to Refundable Renewable Energy Tax Credit

Tuesday, February 5, 2008  
8:45 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 HB 3064.

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 State energy policy and support achieving established Renewable Energy Portfolio Standards.

Thank you for this opportunity to testify