

HAWAII RENEWABLE ENERGY ALLIANCE

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

HCR235/HR198, SUPPORTING THE USE OF TAX INCENTIVES TO ENCOURAGE THE USE OF ALTERNATE ENERGY SOURCES

March 20, 2008

Chair Morita, Vice-Chair Carroll and members of the Committee, I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about the energy future of Hawaii. HREA's mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of HREA's goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of HCR235/HR198 is to support the use of tax incentives to encourage the use of alternate energy sources. HREA **supports the intent** of this resolution, and suggests the term "tax incentives" and their application be clarified. For example, is the resolution intended to support:

- (1) Elimination of the **excise tax** a developer would pay on the electricity sold to the utility?
- (2) Elimination of **use tax** a developer/operator would pay on equipment, materials, etc.?
- (3) Elimination of **excise tax** a developer/operator would pay for consultant services?
- (4) Regarding the **application of the tax incentives**, is this measure to be applied to all existing and future renewable projects, or just for future projects?,and
- (5) Finally, are the **tax incentives intended to last** for the lifetime of the projects?

Thank you for this opportunity to testify.