

HAWAII RENEWABLE ENERGY ALLIANCE

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LATE

TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

SB 2032, RELATING TO INCOME TAX

January 31, 2008

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Chair Menor, Vice-Chair Hooser 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 SB 2032 is to increase the income tax credit for wind-powered energy systems to thirty-five per cent of the actual cost or a maximum amount, whichever is less.

HREA takes no position on this bill at this time, and offers the following comments:

1. Residential/Multi-Family. The residential market is just starting to emerge in Hawaii. However, at this point it is not clear whether there is the same type of cost barrier for wind that exists for PV. In addition, while PV systems do not require special permits from the counties, we believe a model zoning ordinance is needed to facilitate the permitting process for installing residential-scale wind turbines (≤ 10 kW) which will typically require a conditional use permit; and
2. Commercial. The larger commercial projects have been cost-effective, given the 20% current RETITC and the availability of the federal production tax credits (PTCs). We recommend leaving the commercial credit at 20%, and revisit this proposal, should the PTCs be discontinued.

Thank you for this opportunity to testify.