



**LATE TESTIMONY**

**Hawaii Solar Energy Association**  
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TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION  
IN REGARD TO S.B. 2943  
RELATING TO ENERGY  
BEFORE THE  
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT  
ON  
THURSDAY, JANUARY 31, 2008

Chair Menor, Vice-Chair Hooser and members of the committee, my name is Richard Reed and I represent the Hawaii Solar Energy Assn. (HSEA). HSEA strongly supports passage of S.B.2943. We do, however, propose one amendment.

S.B. 2943 makes various changes to HRS 235-12.5 pertain to tax credits for renewable energy technologies. We strongly endorse all but one of the proposed changes. Let's begin with what we like:

- 1) The slight jump in the credit amount from 35 to 40% for solar water heating and PV systems. The increase from 20 to 25% for wind systems is also helpful.
- 2) The increase in the cap levels for commercial solar water heating systems and residential and commercial PV systems. The single greatest impediment to more PV installations remains the high first cost. The increase in caps for multi-family systems is both welcome and justified. If anything, it could go a bit higher.
- 3) The inclusion of wave energy systems appears justified as a truly renewable resource. This particular statute always runs the risk of being larded up with non-renewables and energy efficiency measures. This is not the case, however, with qualifying wave energy systems.

What we oppose:

- 1) HSEA does not believe that an increase in the residential solar water heating cap is justified at this time. The majority of systems continue to be installed in the \$5 – 6K range. We encourage the committee to leave the cap at \$2,250.

Thank you for the opportunity to testify.