

# 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 CONSUMER PROTECTION AND COMMERCE

SB 988 SD2 HD1, RELATING TO PHOTOVOLTAIC ENERGY  
February 6, 2008

Chairs Herkes, 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 SB 988 SD2 HD1 is to authorize the public utilities commission, after first assessing beneficial impacts, to establish a photovoltaic rebate program to all grid-connected residential, community-center, and small business utility customers within electric utility service areas. HREA supports this bill and offers the following comments in support:

1. Proposed PUC Study. HREA supports the proposed Commission study. We suggest that the Commission be authorized to consider a least two options: (a) a rebate program as a DSM ("Demand-Side Management") measure, and (2) given the interest in supporting especially residential PV installation, a rebate program that is NOT tied to a DSM measure;
2. Leveraging Taxpayer and Ratepayer Incentives. Given the high cost of PV and the desire to provide incentives to all consumers, HREA supports the concept that individual consumers be given the option of choosing "buydown" incentives and/or "tax credits." Conventionally, tax credits have been shown to work for those consumers that have a "tax credit" appetite, but not for others, e.g., retired and low-income individual families. For some, it may be desirable to be able to convert a tax credit to a buydown incentive, or as is proposed in HB 3064, a refundable tax credit. The proposed ratepayer buydown would benefit all consumers
3. Who Pays the Bill – Taxpayer or Ratepayer or Both? Initially, SB 988 was drafted as a rebate program to be paid for by **BOTH** ratepayers and taxpayers. It was later amended (SD1) to be funded by **ONLY** taxpayers, and the HD1 is the third option – "ratepayer" **ONLY**. We believe HD1 is the best option for the Commission to consider.

Finally, we believe both taxpayers and ratepayers will benefit from more PV in their diet, and we encourage the Committee to pass out this bill.

Thank you for this opportunity to testify.

LATE TESTIMONY