

SB 464

Testimony before the Senate Committee on

Ways and Means

S.B. 464 SD1– Relating to Renewable Energy

**Tuesday, March 3, 2009
9:30 am, Conference Room 211**

**By Arthur Seki
Director of Technology
Hawaiian Electric Company, Inc.**

Chair Kim, Vice Chair Tsutsui, and members of the Committee:

My name is Arthur Seki. I am the Director of Technology for Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO). We support S.B. 464 SD1 which amends the renewable energy tax credit. The proposed changes in this bill will make it more attractive for more entities to take advantage of this benefit thus creating more jobs and helping stimulate the sluggish economy.

Thank you for the opportunity to testify.



SENATE COMMITTEE ON WAYS AND MEANS

March 3, 2009, 9:30 A.M.

Room 211

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 464 SD1

Chair Kim and members of the committee:

The Blue Planet Foundation supports SB 464 SD1, expanding the ability for investors to use the clean energy investment tax credit. This measure will help to accelerate the investment in Hawaii's clean energy future by encouraging more private investment in solar thermal, photovoltaic, and wind energy technologies. By leveraging private investment in clean energy, state tax incentives will yield numerous benefits through job creation, reduced dependency on imported fossil fuel, reduced greenhouse gas emissions, and economic development.

While current law provides for a tax credit for various renewable energy devices, investors have found it to be lacking meaningful incentive to invest in Hawaii's renewable energy projects. The problem is that the current incentive only applies to a narrow class of taxable income. Senate Bill 464 SD1 wisely expands the types of income that the tax credits can be taken against and expands the types of taxpayers who can take the credits.

Investment experts estimate that the Hawaii's market has the potential to immediately attract \$100 million to \$200 million per year in investment capital for renewable energy projects in the state. These projects would generate hundreds if not thousands of jobs, reduce Hawaii's dependence on imported oil, and protect our environment.

Please forward SB 464 SD1 to encourage private investors to make a down payment on Hawaii's clean energy future.

Thank you for the opportunity to testify.

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**Testimony for Senate Bill 464
Committee on Ways and Means
Tuesday, March 3, 2009 – 9:30 am
Conference Room 211**

Presented By: Wayne H. Muraoka

Committee Chair Senator Donna Mercado Kim, Vice-Chair Senator Shan S. Tsutsui, and committee members:

I work for Armstrong Development, Ltd., and I appreciate the opportunity to address your committee on Senate Bill 464.

We strongly support Senate Bill 464 (“SB 464”) and its proposed amendments to Section 235, Hawaii Revised Statutes.

The current restrictions on use of the Hawaii Renewable Energy Tax Credit render it ineffective as a financial incentive for the development of renewable energy sources. Very few businesses and individuals can use the nonrefundable, nontransferable, and non-allocable tax credit, and it therefore does very little to encourage the development of much needed renewable energy sources.

SB 464’s proposed amendments would make the tax credit much more appealing to a broader range of investors, thereby attracting more investment capital to support the development of renewable energy in Hawaii. This would **generate more jobs (and State income tax and GET revenues), bring in more federal stimulus dollars to Hawaii (in the form of the federal renewable energy tax credits and grants), and help the State decrease its dependency on fossil fuels.**

Further, many of these renewable energy projects are **“shovel-ready”** and would create local jobs and bring in federal dollars quickly.

In short, passing SB4 64 would promote a “greening” of the State in all respects during these otherwise challenging economic times.

For these reasons, we respectfully ask that you support and pass SB 464.

Thank you for this opportunity to address your committee on this important issue.