

Honolulu, Hawaii

Feb 10, 2010

RE: H.B. No. 2522
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2522 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to exempt specific renewable energy systems from the general excise tax from January 1, 2011, to December 31, 2015.

The Department of Business, Economic Development, and Tourism, Department of Taxation, Hawaiian Electric Company and its subsidiaries, and the Blue Planet Foundation supported this measure. The Tax Foundation of Hawaii provided comments.

Your Committee finds that there is a significant amount of federal funding, both grants and tax incentives, available for renewable energy projects. This measure will help to attract federal funding and jobs in the renewable energy sector by providing a general excise tax exemption for the construction of utility-scale renewable energy facilities built within a five-year period.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption is on the gross proceeds for the sale, installation, servicing, and leasing of a

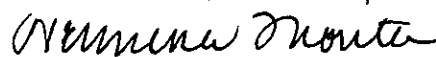


renewable energy system installed between January 1, 2011, and December 31, 2015;

- (2) Clarifying the definition of "renewable energy systems";
- (3) Requiring the Department of Business, Economic Development, and Tourism to certify whether a renewable energy project qualifies for an exemption and to adopt rules for this purpose; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2522, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2522, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



HERMINA MORITA, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 247-10

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 2522	Committee Referral: EEP, FIN	Date: 2-9-2010 DC 2-4-10		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	✓			
2. COFFMAN, Denny (VC)	✓			
3. CABANILLA, Rida	✓			
4. CHANG, Jerry L.				✓
5. CHONG, Pono				✓
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.				✓
8. ITO, Ken	✓			
9. LEE, Chris	✓			
10. LUKE, Sylvia				✓
11. SAGUM, Roland D., III				✓
12. CHING, Corinne W.L.	✓			
13. THIELEN, Cynthia	✓			
TOTAL (13)	8	0	0	5
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Denny Coffman</i></u>				
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