

Honolulu, Hawaii

Feb 16, 2012

RE: H.B. No. 2417
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2417 entitled:

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

begs leave to report as follows:

The purpose of this measure is to limit the number of claimable renewable energy technology system tax credits for each subject property rather than each renewable energy technology system on a subject property.

The Department of Business, Economic Development, and Tourism and the Department of Taxation testified in support of the intent of this measure. Solar Energy Industries Association; SunRun; Energy Industries; Sunetric; SolarCity; Grand Solar, Inc.; Hawaiian Island Solar; Sierra Club Hawaii Chapter; Hawaii Renewable Energy Alliance; RevoluSun, LLC; Distributed Energy Partners, LLC; Hawaii Solar Energy Association; Blue Planet Foundation; SunPower Systems Corporation; Smart Energy Hawaii; and an individual opposed this measure. The Tax Foundation of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

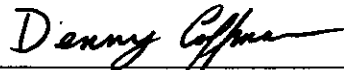
- (1) Limiting the claimable tax credit for each subject tax map key;



- (2) Allowing nonresidential tax map keys to claim a tax credit instead of commercial properties;
- (3) Changing the tax credit cap for photovoltaic solar energy systems on each nonresidential tax map key number to \$1,500 per kilowatt for the first 300 kilowatts and an unspecified amount per kilowatt for the next 4,700 kilowatts; provided that the credit shall not apply to kilowatts produced in excess of 5,000 kilowatts of capacity that are placed into service;
- (4) Allowing independent power producers that have submitted an agreement with an electric utility company for approval by the Public Utilities Commission by January 1, 2013, to claim the tax credit as authorized in the 2012 calendar year for renewable technologies placed into service after January 1, 2013, as a part of the agreement; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, 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. 2417, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2417, 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,



DENNY COFFMAN, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 523-12

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 2417	Committee Referral: EEP, FIN	Date: Feb 14, 2012		
<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. COFFMAN, Denny (C)	✓			
2. KAWAKAMI, Derek S.K. (VC)	✓			
3. CABANILLA, Rida T.R.	✓			
4. CARROLL, Mele	✓			
5. CHANG, Jerry L.	✓			
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.				✓
8. ITO, Ken	✓			
9. NAKASHIMA, Mark M.	✓			
10. RIVIERE, Gil	✓			
11. THIELEN, Cynthia			✓	
TOTAL (11)	9	0	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				