

STAND. COM. REP. NO. 1449

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 199  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 199, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to allow, in cases where the Public Utilities Commission establishes alternative mechanisms for compensating eligible customer-generators for exported power, eligible customer-generators with existing net energy metering contracts the option of maintaining the existing contracts, rather than converting to the alternative mechanisms.

Prior to the public hearing, your Committee circulated a proposed draft of this measure that replaces its substance with provisions that require the Director of Finance to transfer from a non-general fund to the general fund a cash amount equivalent to the renewable energy technology system tax credit (tax credit) claimed by a taxpayer in cases where:

- (1) The taxpayer has claimed the tax credit after June 30, 2009, and based on a renewable energy technology system (system) installed on real property leased from, owned by, or under the control of a state agency;

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- (2) The state agency receives revenues from the lease of the real property, the energy generated by the system, or other arrangement with the taxpayer; and
- (3) The revenues received by the state agency have been deposited into a non-general fund.

SunRun Inc.; Mainstream Energy Corp.; REC Solar, Inc.; AEE Solar; Inc.; SunEdison; SolarCity; The Solar Alliance; SunPower; Hawaii Renewable Energy Alliance; and the Hawaii Solar Energy Association opposed the proposed draft of this bill. The Department of Taxation and Hawaii Community Development Authority submitted comments on the proposed draft of this bill.

Your Committee has amended this measure by adopting the proposed draft and incorporating additional technical revisions for style, clarity, and consistency. As amended, this measure contains an effective date of June 30, 2011.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



