

House Committee on Energy & Environmental Protection

HB 2417

RELATING TO RENEWABLE ENERGY

Chair Coffman, Vice-Chair Kawakami and Committee Members:

Introduction: My name is Riley Saito Senior Manager, Hawaii Projects, for SunPower Systems Corporation. SunPower is a dedicated supporter and active participant in Hawaii's renewable energy initiatives and has been an active in policy shaping for over 14 years.

- Charter member of the Hawaii Energy Policy Forum,
- Steering Committee -Hawaii Clean Energy Initiative, Hawaii
- Energy Generation Working Group -Hawaii Clean Energy Initiative, Hawaii

I have been a financial partner and served in leadership roles in the tourism industry, cultural preservation, agricultural promotion, educational development, and other community activities. SunPower is focused to work with the energy partners in Hawai'i to reduce importation of fossil fuels, improve the quality of life for Hawai'i future generations.

Mahalo in advance, for accepting comments in opposition to HB 2417.

The current framework: Successful Yes, clearly resulting in a providing a viable industry in Hawaii that did not have legs 3 years ago. Private, government, and utility entities are seeking a long term solution to stabilize operating costs, reduce fossil fuel dependency, and attract out of State investors to provide the capital. The partnership between, the industry, asset/land owners, (including DNLR/DHHL/DOEA/DOE/UH Systems), and financial investors, (public/private) appreciate that the State of Hawaii is a partner to make this possible.

That is why the tax credits are in place. This was enacted, following many years of research and effort. This bill is a short term in mind set, will have a negative impact on the economic stimulus that the current framework provides, without regard for the long term, visionary impact on Hawaii's future

To become energy independent the State needs to transcend the ups/downs economic conditions. This successful framework is a result of a decade of collaboration. The changes proposed is a drastic 180 degree change that could potential shutdown PV technology as a viable alternative to Hawaii's energy independence. The policy in place benefits the economy, the environment, improves energy security, and other social benefits, (affordable living for middle/low income families).

If the language in this bill remains unchanged and enacted this would have far reaching affects on PUC approved interconnection program, such as NEM, FIT, and competitive bidding. It will also impact federal grants/loan fund match potential and DOD projects/spending. The current framework requires the State to budgetary fund 24.5%-35% of PV project. To put it in perspective can we get a "framework" that would fund the rail project from out of state capital at that level?

The Future Framework: Now that is working, exceeding expectations, where do we go from here? The current language changes in bill will bring the PV industry to a screeching

February 9, 2012

8:30AM

HOUSE
COMMITTEE ON ENERGY AND
ENVIRONMENTAL PROTECTION
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Myron Thompson
President

TESTIMONY IN OPPOSITION

Aloha Chair Coffman, Vice Chair Kawakami, and Members of the Committee:

Smart Energy Hawai'i is a Hawaii based company that designs and installs PV systems for residential and commercial clients. Our company has 23 employees located on Oahu. We are grateful to the Legislature for the support we have received in the past and we look forward to a continued productive relationship in which our industry works to achieve the State's energy and economic security goals, while also providing meaningful work for ourselves and our employees.

That being said, Smart Energy Hawai'i opposes HB2417. While we are aware that this bill seeks to address concerns among public officials and some members of the public regarding the use of the Renewable Energy Technologies Income Tax Credit, the solar industry has grown up around the current system, as implemented in various forms of guidance provided by the Department of Taxation. For the residential customer, the change envisioned by HB2417 is too abrupt and will disrupt the market to a significant degree. In the commercial market, the change will undermine utility scale projects that have been in development for as much as five years and rarely less than three years, and that have financing assumptions based on project specific letter rulings.

As a result of these potential challenges posed by the measure to our residential and commercial customers, and to our own businesses, we respectfully ask that the Legislature consider other ways to implement the changes it sees as necessary. Smart Energy Hawaii is available and will be supportive of any and all efforts designed to work to a mutually agreeable solution.