

thielen3 - Charles

From: Bob Johnston [grj@landtecinc.com]
Sent: Tuesday, February 05, 2013 2:21 PM
To: EEPtestimony
Subject: HB497

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Tuesday, February 5, 2013 – 10 a.m. – Room 325

Testimony Supporting the Intent of HB 497 Relating to Renewable Energy

Chair Lee, Vice Chair Thielen, and Members of the Committee:

Hawaii Pacific Solar supports the intent of HB 497, which is to reform the Renewable Energy Technologies Income Tax Credit ("RETITC") while maintaining the viability of all sectors of the solar industry. We share this goal. However, we are concerned that HB 497 does not sufficiently reduce the incentive level of the RETITC. This means that under HB 497, the RETITC could continue to have a larger than desirable impact on the state's general fund.

Specifically, HB 497 maintains a relatively high investment tax credit incentive level and provides for full refundability of the credit (without the current 30% discount level) after 2016. It also creates a permanent production tax credit that could eventually become costly to the State.

While HB 497 would clearly benefit the industry in the short term, we are concerned that the impact on the RETITC going forward would lead the legislature to again seek reforms of the RETITC in the next few years. This would ultimately harm both the industry and the State.

By contrast, HB 756 would enact responsible reforms of the RETITC that would reduce the impact on the general funds while still allow the industry to remain viable and maximizing renewable energy installation in the state.

Hawaii Pacific Solar therefore recommends that you pass HB 756 to reform the RETITC rather than HB 497. Thank you for the opportunity to provide this testimony.

Sincerely,



G. Robert Johnston
President
Hawaii Pacific Solar LLC
2010 Honoapiilani Hwy. C1
Lahaina, HI 96761
(808) 661-1166

bob@hawaiiPacificSolar.com
www.hawaiiPacificSolar.com



HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, February 5, 2013 – 10 a.m. – Room 325

Testimony Supporting the Intent of HB 497 Relating to Renewable Energy

Chair Lee, Vice Chair Thielen, and Members of the Committee:

Rising Sun Solar **supports the intent** of HB 497, which is to reform the Renewable Energy Technologies Income Tax Credit (“RETITC”) while maintaining the viability of all sectors of the solar industry. We share this goal. However, we are concerned that HB 497 does not sufficiently reduce the incentive level of the RETITC. This means that under HB 497, the RETITC could continue to have a larger than desirable impact on the state's general fund.

Specifically, HB 497 maintains a relatively high investment tax credit incentive level and provides for full refundability of the credit (without the current 30% discount level) after 2016. It also creates a permanent production tax credit that could eventually become costly to the State.

While HB 497 would clearly benefit the industry in the short term, we are concerned that the impact on the RETITC going forward would lead the legislature to again seek reforms of the RETITC in the next few years. This would ultimately harm both the industry and the State.

By contrast, HB 756 would enact responsible reforms of the RETITC that would reduce the impact on the general funds while still allow the industry to remain viable and maximizing renewable energy installation in the state.

Rising Sun Solar therefore recommends that you pass HB 756 to reform the RETITC rather than HB 497. Thank you for the opportunity to provide this testimony.

Sincerely,

Bradley Albert
Owner

810 Kokomo Road Ste 160 Haiku HI 96708
P 808 579 8287, F 808 575 9878
www.risingsunsolar.com