



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, March 12, 2013 — 8:30 a.m. — Room 325

Testimony in Support SB 623, SD2, Relating to Renewable Energy

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

My name is Jon Wallenstrom and I am the President of Forest City Hawaii. Forest City Hawaii is principally engaged in the ownership, development, management and acquisition of commercial and residential real estate and land in Hawaii. It is currently involved in a partnership with the Hawaii Housing Finance and Development Corporation (HHFDC) to develop Kamakana Villages, a mixed-use community of 2,206 homes on the Big Island, of which more than 50% will affordably priced. We have also put in place six photovoltaic farms on Oahu and are one of the largest owners of clean, renewable energy assets in the State. Forest City is one of the largest residential community and renewable energy developers in the state. At Forest City we leverage our real estate experience to create renewable energy projects. These developments help offset the high cost of energy in Hawaii for both our community as a whole, while also decreasing the state's dependence on fossil fuels.

Forest City supports the intent of SB 623, SD2 which will make needed reforms to the Renewable Energy Technologies Income Tax Credit ("RETITC") to reduce the credit's cost to the state.

In its current form, the bill contains no amounts for tax credits for solar energy properties used to generate electricity that are one megawatt or larger in alternating current capacity. **Therefore, we respectfully ask that the bill be amended at page 3, to provide for an 8 cents PTC.** Reducing the tax credits for solar energy properties used to generate electricity that are one megawatt or larger in alternating current capacity to a lesser amount would not make most utility scale solar projects viable investments at current prices, and there would be very few utility scale projects going forward.

Also, while the concept of providing a grandfathering provision where certain preconditions were met prior to December 31, 2012 is appreciated, it does not give fair notice to industry members so that they may have the opportunity to begin the process. **We also ask that the grandfathering provision be extended to December 31, 2013 to allow entities the opportunity to comply with the stated preconditions.**

We believe that these amendments will lead to a higher level of renewable energy installation while still reducing the credit's cost to the state. In doing so, it will maximize the use of state tax dollars and keep Hawai'i on the path to achieving its clean energy goals.

Thank you for the opportunity to provide these comments.