

From: Bob Johnston [grj@landtecinc.com]
Sent: Tuesday, February 05, 2013 2:34 PM
To: EEPtestimony
Subject: HB967

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

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

Testimony in Opposition to HB 967 Relating to Renewable Energy

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

Hawaii Pacific Solar strongly opposes HB 967, which will dramatically reduce and then sunset the Renewable Energy Technologies Income Tax Credit (“RETITC”).

The RETITC has been a successful legislative initiative that has increased the adoption of solar and wind energy technologies and helped put Hawai’i on a path towards energy independence, thereby reducing export of Hawai’i dollars out of the state. The RETITC has also created thousands of jobs for Hawai’i workers, from electricians and panel installers, to sales and marketing professionals, to engineers and accountants.

In order to preserve these benefits, we urge the Legislature to take a more responsible approach to reforming the RETITC. HB 967 cuts the credit from 35% to 15% beginning at the end of this year, and sunsets the credit altogether in 2016. In addition, HB 967 removes the existing RETITC provisions that allow taxpayers to voluntarily reduce the level of the credit by 30 percent in exchange for receiving the credit as a refund. Collectively, these changes decimate most market sectors.

The residential sector will be hit by reduced affordability for system purchasers as well by the effective end of solar leasing. The end of leasing will particularly affect lower income homeowners, who can often afford a leased system but not a purchased one. Commercial sectors, both utility scale and rooftop projects, will be damaged by the end of the current refundability provisions because the RETITC credit has little impact on the taxes that most businesses actually pay.

Overall, the impact of cutting the RETITC this dramatically will be a near-complete elimination of the solar industry in Hawai’i. Such a policy is, at best, pennywise, but is just as surely pound-foolish.

For these reasons, we strongly oppose HB 967. Instead, we ask the committee to adopt HB 756 as a responsible way to reduce the RETITC incentive levels over time while maintaining the state’s commitment to a clean energy future for Hawai’i. Thank you for the opportunity to provide this testimony.

Sincerely,



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Sincerely,

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