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SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

Tuesday, February 5, 2013 — 2:45 p.m. — Room 225

**Testimony in Opposition to SB 1198, Relating to Renewable Energy**

Chair Gabbard, Vice Chair Ruderman, and Members of the Committee:

Hawaii Pacific Solar LLC (HPS) – Is a Hawaii Limited Liability Company and an established installer of photovoltaic solar energy systems. HPS holds a C13 electrical contractor license and specializes in the installation of commercial and utility grade systems for government, military and educational institutions.

In 2011 HPS was awarded a contract by the State of Hawaii Department of Education for installation of photovoltaic systems on 28 schools on Oahu totaling over 5.73 Megawatts. HPS was also awarded a contract to install solar photovoltaic systems on all schools on Kauai totaling an additional 3 megawatts.

Hawaii Pacific Solar **opposes** SB 1198, which will dramatically reduce and then sunset the Renewable Energy Technologies Income Tax Credit (“RETITC”). Instead we ask that the committee adopt SB 11.

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. SB 1198 cuts the credit from 35 percent to 15 percent beginning at the end of this year, and sunsets the credit altogether in 2016. In addition, SB 1198 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 oppose SB 1198. Instead, we ask the committee to adopt SB 11 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,

Robert Johnston  
President



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Chair Gabbard, Vice Chair Ruderman, and Members of the Committee:

My name is Jon Wallenstrom and I am the Senior Vice President of Forest City Hawaii. It has been Forest City's honor to be a member of the Hawaii business community. Over the past seven years our company has executed on a \$2 Billion project to redevelop Navy and Marine Corps housing, built the largest photovoltaic project on the island of Oahu, and started development of a large affordable housing project using solar energy in partnership with HHFDC on the Big Island. We are very proud of these accomplishments and would like to continue to work with the people of Hawaii to create a better built environment.

Forest City opposes SB 1198, which will dramatically reduce and then sunset the Renewable Energy Technologies Income Tax Credit ("RETITC"). Instead we ask that the committee adopt SB 11.

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.

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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 oppose SB 1198. Instead, we ask the committee to adopt SB 11 as a responsible way to reduce the RETITC incentive.

Thank you for the opportunity to provide this testimony.

**SB1198**

Submitted on: 2/7/2013

Testimony for ENE on Feb 12, 2013 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

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