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HOUSE COMMITTEE ON FINANCE
Monday, April 1, 2013 — 2 p.m. — Room 308

Ulupono Initiative Supports SB 623 SD2 HD2, Relating to Renewable Energy

Chair Luke, Vice Chairs, and Members of the Committee:

My name is Murray Clay, Managing Partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono Initiative **supports** SB 623 SD2 HD2, which will reform the Renewable Energy Technologies Income Tax Credit ("RETITC") while maintaining the viability of the solar industry. SB 623 SD2 HD2 will save the State tens of millions of dollars in tax credit related outlays, while continuing to promote solar energy technologies that will allow Hawai'i to reach its clean energy goals and reduce our dependence on imported fossil fuels. This bill will also continue to make solar energy technologies accessible to the vast majority of Hawai'i's residents.

The current version of SB 623 contains blanks in section (a) that must be filled in before the bill is finalized. We recommend that the Committee re-insert the percentages and cap amounts contained in HB 497 HD3, which closely track the percentages and cap amounts contained in prior versions of SB 623. Specifically, we recommend the following numbers be used:

- For section (a)(1), solar thermal tax credit caps in the amounts of:
 - **\$2,500** per property for single-family residential property;
 - **\$500** per unit per property for multi-family residential property;
 - **\$250,000** per property for commercial property
- For section (a)(2), solar tax credit percentages in the amounts of:
 - **30%** for property placed in service after December 31, 2012 and before January 1, 2014;
 - **25%** for property placed in service after December 31, 2013 and before January 1, 2016;
 - **20%** for property placed in service after December 31, 2015 and before January 1, 2018;
 - **15%** for property placed in service after December 31, 2017.
- For section (a)(3), production tax credit amounts of:
 - **8 cents/kWh** for solar energy property installed and placed in service on or before December 21, 2016;
 - **6 cents/kWh** for solar energy property installed and placed in service on or before December 31, 2020;
 - **4 cents/kWh** for solar energy property installed and placed in service after December 31, 2020.
- For section (a)(4), a cap on the utility-scale wind energy credit of **\$500,000**.

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We strongly support this bill, and we hope that the Committee will pass the bill out with the recommended percentages, credit amounts, and caps specified above. Thank you for the opportunity to provide this testimony.

Respectfully,
Murray Clay
Managing Partner