



LATE

SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

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

Testimony in Opposition to SB 623, 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 supports the intent of SB 623, which will make needed reforms to the Renewable Energy Technologies Income Tax Credit (“RETITC”) to reduce the credit’s cost to the state. However, we believe that SB 11 is a more effective way to make those same reforms, while also making the RETITC easier to administer and maintaining the viability of all sectors of the solar industry.

First, SB 11 more closely follows the federal tax credit structure. This will remove ambiguities in the existing law and make it easier for the Department of Taxation to administer the credit. This will benefit not only the Department but also all stakeholders, including households, businesses, and contractors, as well as lessors and other funders of solar projects.

Second, SB 11 will maintain the viability of the commercial and utility-scale sectors of the solar industry. Although SB 623 will preserve the residential market and the competitively bid utility scale market, its per-credit cap for commercial systems and non-competitively bid utility-scale projects would be devastating to those sectors of the industry. By contrast, SB 11 provides a more balanced approach that makes cuts to—but ultimately preserves—all sectors of the industry. By preserving the viability of all segments of Hawai’i’s solar industry, SB 11 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.



Hawaii Pacific Solar therefore recommends that you pass SB 11 to reform the RETITC rather than SB 623. Thank you for the opportunity to provide this testimony.

Sincerely,

Robert Johnston
President

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Testimony on SB SB 623, Relating to Renewable Energy

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 **supports the intent** of SB 623, which will make needed reforms to the Renewable Energy Technologies Income Tax Credit ("RETITC") to reduce the credit's cost to the state. However, we believe that SB 11 is a more effective way to make those same reforms, while also making the RETITC easier to administer and maintaining the viability of all sectors of the solar industry.

First, SB 11 more closely follows the federal tax credit structure. This will remove ambiguities in the existing law and make it easier for the Department of Taxation to administer the credit. This will benefit not only the Department but also all stakeholders, including households, businesses, and contractors, as well as lessors and other funders of solar projects.

Second, SB 11 will maintain the viability of the commercial and utility-scale sectors of the solar industry. Although SB 623 will preserve the residential market and the competitively bid utility scale market, its per-credit cap for commercial systems and non-competitively bid utility-scale projects would be devastating to those sectors of the industry. By contrast, SB 11 provides a more balanced approach that makes cuts to—but ultimately preserves—all sectors of the industry. By preserving the viability of all segments of Hawai'i's solar industry, SB 11 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 this testimony.

SB623

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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