

Honolulu, Hawaii

February 7, 2014

RE: H.B. No. 2618  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2618 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY STORAGE,"

begs leave to report as follows:

The purpose of this measure is to facilitate the use of renewable energy by encouraging the use of grid-connected energy storage technologies and systems through an income tax credit, limited in scope and duration, for grid-connected energy storage properties.

Blue Planet Foundation; Hawaii PV Coalition; SunPower Systems, Corporation; Solar Power Systems International; Princeton Energy Group; Renewable Energy Action Coalition of Hawaii; Semptra US Gas and Power; Royal Contracting Company, Ltd.; Hawaii Renewable Energy Alliance; Sunrun Inc.; Ulupono Initiative; Molokai Ranch; and numerous individuals testified in support of this measure. An individual testified in opposition to this measure. The Department of Business, Economic Development & Tourism; Department of Taxation; Public Utilities Commission; County of Maui, Mayor's Office; Tax Foundation of Hawaii; and an individual commented on this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the tax credit will be available to any taxpayer subject to income tax for each grid-connected



energy storage property installed and placed in service in the State during the taxable year beginning after December 31, 2014, and not available for taxable years beginning after December 31, 2025;

- (2) Requiring the Department of Business, Economic Development, and Tourism to certify eligible grid-connected energy storage property that qualifies for the tax credit;
- (3) Making the tax credit available to grid-connected energy storage property that has a capacity of at least one megawatt-hour; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2618, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



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CHRIS LEE, Chair



**Record of Votes of the Committee on Energy & Environmental Protection**

Bill/Resolution No.: <b>HB 2668</b>	Committee Referral: <b>EEP, CPC, FIN</b>	Date: <b>2/4/14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	X			
2. THIELEN, Cynthia (VC)	X			
3. CULLEN, Ty J.K.	X			
4. EVANS, Cindy	X			
5. HANOHANO, Faye P.				X
6. KAWAKAMI, Derek S.K.	X			
7. SAY, Calvin K.Y.	X			
8. NISHIMOTO, Scott Y.	X			
9. LOWEN, Nicole E.	X			
10. FALE, Richard Lee			X	
<b>TOTAL (10)</b>	<b>8</b>		<b>1</b>	<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Cynthia Thielen</i>				
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