

STAND. COM. REP. NO.

220

Honolulu, Hawaii

February 13, 2015

RE: H.B. No. 265

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 265 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 through encouraging the use of grid-connected energy storage technologies and systems by:

- (1) Establishing a temporary tax credit for grid-connected energy storage properties that are installed and placed in service in the State during a taxable year beginning after December 31, 2015; and
- (2) Appropriating funds to the Department of Taxation for administering the tax credit.

Blue Planet Foundation, Hawaii PV Coalition, and an individual supported this measure. Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company, supported the intent of this measure. Hawaii Solar Energy Association opposed this measure. The Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; Department of Business, Economic Development, and Tourism; Department of Taxation; Alliance for Solar Choice; and Tax Foundation of Hawaii commented on this measure.

HB265 HD1 HSCR EEP HMS 2015-1869



Your Committee has amended this measure by:

- (1) Deleting the requirement that a grid-connected energy storage property have a capacity of at least one megawatt-hour or one megawatt for purposes of qualifying for the tax credit; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your committee finds it prudent to leave the amount of the tax credit claimable under this chapter unspecified at this time. Your Committee recognizes that determining an appropriate credit amount involves consideration of varied and complex interests, including sufficiency of incentives to consumers and sufficiency of revenue to the State. Should your Committees on Consumer Protection and Finance deliberate this measure further, your Committee respectfully requests that those Committees consider an appropriate credit amount and defers to the discretion of those Committees and the legislative process.

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. 265, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 265, 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,



CHRIS LEE, Chair



HSCR 220

State of Hawaii
 House of Representatives
 The Twenty-eighth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

| | | |
|---------------------------------------|---|-------------------------|
| Bill/Resolution No.: HB 265 | Committee Referral: EEP, CPC, FIN | Date: 2/10/15 |
|---------------------------------------|---|-------------------------|

The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

| EEP Members | Ayes | Ayes (WR) | Nays | Excused |
|--------------------------|-----------|-----------|----------|----------|
| 1. LEE, Chris (C) | / | | | |
| 2. LOWEN, Nicole E. (VC) | / | | | |
| 3. CULLEN, Ty J.K. | / | | | |
| 4. EVANS, Cindy | / | | | |
| 5. ING, Kaniela | / | | | |
| 6. NISHIMOTO, Scott Y. | / | | | |
| 7. SAY, Calvin K.Y. | / | | | |
| 8. YAMANE, Ryan I. | / | | | |
| 9. POUHA, Feki | / | | | |
| 10. THIELEN, Cynthia | / | | | |
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| TOTAL (10) | 10 | 0 | 0 | 0 |

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
 committee acronym(s)

Vice Chair's or designee's signature:

Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO