

STAND. COM. REP. NO.

898

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 665
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 665, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to address renewable energy tax incentives.

More specifically, this measure replaces the current income tax credit for renewable energy technology systems with tax credits for solar energy property, wind energy property, and energy storage property.

Your Committee received written comments in support of this measure from Amber Kinetics, Distributed Energy Resources Council of Hawaii, Ulupono Initiative, and three individuals.

Your Committee received written comments in opposition to this measure from the Department of Business, Economic Development, and Tourism.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the development of renewable energy is essential to meeting Hawaii's clean energy goals. Your



Committee also finds that investment in energy storage is a crucial step in modernizing Hawaii's energy grid. Your Committee notes that energy storage technologies are not addressed by current state income tax incentives.

Your Committee has amended this measure by:

- (1) Amending the cap amounts of the tax credit with regard to energy storage property and wind energy property;
- (2) Clarifying that the tax credit shall not be authorized for taxable years ending after December 31, 2035;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 665, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 665, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 665, SD1	TRE, WAM	27 Feb 2017		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)				/
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.				/
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn				/
TOTAL	8			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes