

STAND. COM. REP. NO.

1259

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 665

S.D. 2

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 665, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to address renewable energy tax incentives by replacing the current income tax credit for renewable energy technology systems with tax credits for solar energy or wind property and energy storage property.

The Distributed Energy Resources Council, Tesla, Ulupono Initiative, The Alliance for Solar Choice, and three individuals supported this measure. The Hawaii Solar Energy Association supported the intent of this measure. The Department of Business, Economic Development and Tourism, Department of Taxation, Tax Foundation of Hawaii, and Amber Kinetics provided comments.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "grid-connected" to mean that the individual or corporate taxpayer has obtained an approved interconnection agreement from an electric utility for the solar energy property or whose facility does not have an existing tie to the electric grid;

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- (2) Inserting a new part that establishes and appropriates funds for a building energy efficiency demonstration project within the Department of Transportation to set building energy efficiency standards that assist the State in reaching net zero emissions; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should the Committee on Finance deliberate on this measure further, your Committee on Energy & Environmental Protection notes that this measure is intended to be revenue neutral and should not impact the state budget, and respectfully requests that the Committee on Finance confer with stakeholders on this measure, including the Department of Taxation, to evaluate its revenue neutrality.

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 S.B. No. 665, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 665, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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



CHRIS LEE, Chair



