

STAND. COM. REP. NO.

1897

Honolulu, Hawaii

APR 05 2019

RE: H.B. No. 307  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Energy, Economic Development, and Tourism, Commerce, Consumer Protection, and Health, and Ways and Means, to which was referred H.B. No. 307 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to broaden the definition of "renewable energy" to include other self-replenishing non-fossil fuel resources.

Your Committees received testimony in support of this measure from two individuals. Your Committees received testimony in opposition to this measure from Life of the Land; 350Hawaii; Sierra Club of Hawai'i; Elemental Excelerator; Blue Planet Foundation; Pele Lani Farm LLC; and twenty-one individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs; Public Utilities Commission; and Organizing for Action.

Prior to decision making on this measure, your Committees posted and made available for public review a proposed S.D. 1 of this measure, which retains the contents of this measure and inserts language to:

- (1) Specify its purpose;



- (2) Specify that mono-cultured wood crops are excluded from the definition of "renewably energy";
- (3) Clarify that the definition of "renewably energy" includes self-replenishing non-fossil fuel resources that are non-nuclear;
- (4) Amend the renewable energy technologies income tax credit to, among other things, apply the credit separately for solar energy systems, wind energy systems, and commercial seawater air conditioning systems and make conforming amendments;
- (5) Change the effective date to July 1, 2050, with the renewable energy technologies and commercial seawater air conditioning system income tax credit to apply to taxable years beginning after December 31, 2019; and
- (6) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees received testimony in support of the proposed S.D. 1 from the O'ahu County Democrats Legislative Priorities Committee and Deep Ocean Ventures. Your Committees received testimony in opposition to the proposed S.D. 1 from the Hawaii Laborers' Union, Local 368; Zero Waste O'ahu; PV Tech; The Alliance for Solar Choice; Hawaii Solar Energy Association; and eleven individuals. Your Committees received comments on the proposed S.D. 1 from the Public Utilities Commission and Tax Foundation of Hawaii.

Your Committees find that the State must continue to support established renewable energy resources and those emerging from new technological innovations to meet its expansive renewable energy goals. Currently, the State's definition of "renewable energy" is too narrow to account for some technological innovations that produce renewable energy resources. Broadening the definition of "renewable energy" to include other self-replenishing non-fossil fuel non-nuclear fuel resources could significantly advance the State's clean energy goals and produce considerable environmental and economic benefits for the State. Your Committees further find that commercial seawater air conditioning costs should be for the



renewable energy technologies income tax credit because seawater is an untapped and abundant renewable source of energy in Hawaii. The proposed S.D. 1 will therefore apply the income tax credit for commercial seawater air conditioning system costs, thereby promoting the use of new technology and renewable energy resources and helping the State reach its renewable energy goals.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

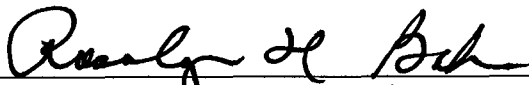
- (1) Removing the exclusion of mono-cultured wood crops from the definition of "renewable energy";
- (2) Specifying that in order to constitute renewable energy, other self-replenishing non-fossil fuel, non-nuclear resources must be approved by rule or order of the Public Utilities Commission;
- (3) Amending the tax credit for grid-connected solar energy systems used primarily to generate electricity by:
  - (A) Amending the ramp down schedule;
  - (B) Amending the cap for single-family residential properties where a portion of the system fulfills the substitute renewable energy technology requirement and the cap for multi-family residential properties; and
  - (C) Deleting provisions that would have grandfathered in certain systems installed or first placed in service by a certain date in the past;
- (4) Amending the tax credit for grid-connected wind energy systems by:
  - (A) Making the tax credit applicable for systems first placed in service from 2020 through 2028; and
  - (B) Deleting provisions that would have grandfathered in certain systems installed or first placed in service by a certain date in the past;



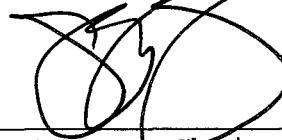
- (5) Specifying that the tax credit shall not be authorized for taxable years ending after December 31, 2028; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy, Economic Development, and Tourism, Commerce, Consumer Protection, and Health, and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 307, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 307, S.D. 1, and be placed on the calendar for Third Reading.

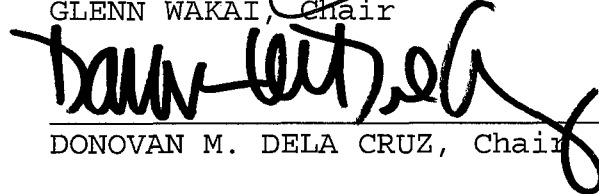
Respectfully submitted on  
behalf of the members of the  
Committees on Energy, Economic  
Development, and Tourism,  
Commerce, Consumer Protection,  
and Health, and Ways and Means,



ROSALYN H. BAKER, Chair



GLENN WAKAI, Chair




DONOVAN M. DELA CRUZ, Chair





The Senate  
Thirtieth Legislature  
State of Hawai'i


**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 307	EET/CPH/WAM	4/4/19		
<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
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett		✓		
NISHIHARA, Clarence K.				✓
RUDERMAN, Russell E.			✓	
THIELEN, Laura H.		✓		
FEVELLA, Kurt		✓		
<b>TOTAL</b>	2	3	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
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The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 307</b>	Committee Referral: <b>EET/CPH/WAM</b>	Date: <b>4/4/19</b>		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt				X
<b>TOTAL</b>	<b>8</b>			<b>5</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

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