

STAND. COM. REP. NO.

**2521**

Honolulu, Hawaii

**FEB 12 2020**

RE: S.B. No. 2821

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,  
to which was referred S.B. No. 2821 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to, beginning  
January 1, 2025, eliminate the renewable energy technologies  
income tax credit for solar energy systems that are not used to  
heat water for multi-family resident and commercial properties.

Your Committee received testimony in support of this measure  
from 174 Power Global. Your Committee received testimony in  
opposition to this measure from the Hawaii PV Coalition;  
Environmental Caucus of the Democratic Party of Hawaii; Climate  
Protectors Coalition; Our Revolution Hawaii; Tesla; We Are One,  
Inc; 350Hawaii; and seventeen individuals. Your Committee  
received comments on this measure from the Department of Taxation,  
Hawaii State Energy Office, Tax Foundation of Hawaii, ADON  
Renewables, and Ulupono Initiative.

Your Committee finds that Act 207, Session Laws of Hawaii  
2003, established the renewable energy technologies tax credit to  
incentivize residential and commercial properties to install  
renewable energy technology in an attempt to bring the State  
closer to its one hundred percent renewable energy by 2045. Your  
Committee further finds that it has been seventeen years since the



establishment of the renewable energy technologies tax credit and that the installation of solar energy systems has decreased, thereby decreasing the need for a solar energy tax credit. Your Committee believes that it is time to start investing in new and innovative renewable sources of energy outside the scope of solar energy. This measure will open opportunities for the State to begin investing in other new and innovative sources of renewable energy by eliminating the renewable energy technologies tax credit for certain solar energy systems.

Your Committee has amended this measure by:

- (1) Eliminating the renewable energy technologies income tax credit for solar energy systems that the primary purpose is not to heat water for a single-family residential property after December 31, 2024;
- (2) Increasing the renewable energy technologies tax credit for certain solar energy systems for a multi-family residential property to \$750; and
- (3) Providing that a power purchase agreement for commercial properties that was approved by the Public Utilities Commission prior to December 31, 2019, shall continue receiving the tax credit regardless of any amendments made to the renewable energy technologies tax credit law.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2821, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2821, S.D. 1, and be referred to your Committee on Ways and Means.



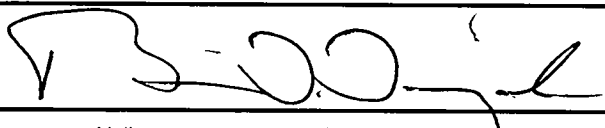
Respectfully submitted on  
behalf of the members of the  
Committee on Energy, Economic  
Development, and Tourism,

  
\_\_\_\_\_  
GLENN WAKAI, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**

Bill / Resolution No.:* <b>SB 2821</b>	Committee Referral: <b>EET, NAM</b>	Date: <b>1/31/2020</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
WAKAI, Glenn (C)	✓			
TANIGUCHI, Brian T. (VC)		✓		
INOUE, Lorraine R.				✓
KEOHOKALOLE, Jarrett		✓		
FEVELLA, Kurt				✓
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</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				

\*Only one measure per Record of Votes