

STAND. COM. REP. NO. **3335**

Honolulu, Hawaii

**FEB 28 2020**

RE: S.B. No. 2821  
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2821, S.D. 1, 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 amend the renewable energy technologies income tax credit.

More specifically, this measure:

- (1) Beginning January 1, 2025, eliminates the renewable energy technologies income tax credit for solar energy systems for which the primary purpose is not to heat water; and
- (2) Preserves the tax credit for solar energy systems installed and placed in service pursuant to a power purchase agreement for commercial properties that was approved by the Public Utilities Commission prior to December 31, 2019.

Your Committee received written comments in support of this measure from Adon Renewables, Hawaii Clean Power Alliance, and Hoohana Solar 1 LLC.



Your Committee received written comments in opposition to this measure from Hawaii PV Coalition, Hawaii Solar Energy Association, Tesla, and nine individuals.

Your Committee received written comments on this measure from the Department of Taxation; Hawaii State Energy Office; 350Hawaii; Climate Protectors Coalition; Hawaiian Electric Company, Inc; Tax Foundation of Hawaii; Ulupono Initiative; and eight individuals.

Your Committee finds that, as a result of pursuing its goal to reach one hundred percent renewable energy by 2045, Hawaii must continue to support utility-scale renewable energy projects that benefit residents and ratepayers. Your Committee further finds that, in order to continue to support this goal, the State must provide certainty and clarity for these projects to ensure their stability and long-term financial viability.

Your Committee has amended this measure by:

- (1) Increasing the cap amount of the renewable energy technologies income tax credit for solar water heating systems installed and placed in service for multi-family residential properties from \$350 per unit per system to \$750 per unit per system;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, 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. 2821, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2821, S.D. 2.



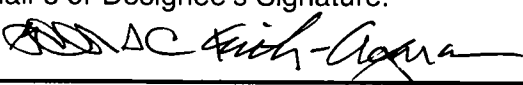
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
<b>SB 2821, SD1</b>	<b>EET, WAM</b>	<b>02/20/20</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>7</b>	<b>3</b>		<b>3</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes