

Honolulu, Hawaii

MAR 13 , 2020

RE: S.B. No. 3036  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 3036, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to specify that solar energy systems installed and placed in service on commercial property pursuant to a power purchase agreement approved by the Public Utilities Commission (PUC) prior to December 31, 2019, or filed and pending approval by the PUC prior to December 31, 2019, shall continue to receive the renewable energy technologies income tax credit at the lesser of thirty-five per cent of the actual cost or \$500,000 per solar energy system.

Your Committee received testimony in support of this measure from the Hawaii Clean Power Alliance; Hoohana Solar 1 LLC; Innergex Renewables USA, LLC; Hawaii Solar Energy Association; Climate Protectors Coalition; 350Hawaii.org; Clearway Energy Group; Hawaii PV Coalition; and six individuals. Your Committee received testimony in opposition to this measure from the Sierra Club of Hawaii. Your Committee received comments on this measure from the Department of Taxation; Hawaii State Energy Office; Tax



Foundation of Hawaii; Hawaiian Electric Company, Inc.; Kauai Island Utility Cooperative; AES Distributed Energy; and Tesla.

Your Committee finds that, in order to pursue 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 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) Deleting the preamble;
- (2) Amending the renewable energy technologies income tax credit amount for each solar energy system to be thirty-five percent of the actual cost or a designated cap amount, rather than the lesser of the two;
- (3) Repealing the renewable energy technologies income tax credit for solar energy systems for commercial properties for taxable years beginning after December 31, 2019, but grandfathering in certain solar energy systems, including certain solar energy systems integrated with a pump hydroelectric energy storage system;
- (4) Increasing the tax credit for solar water heater systems, other solar energy systems, and wind-powered energy systems for multi-family residential properties to \$750 per unit per system; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 3036, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3036, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



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

*Nicole E. Lowen*

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NICOLE E. LOWEN, Chair



**Record of Votes of the Committee on Energy & Environmental Protection**

<b>Bill/Resolution No.:</b> SB 3036, SD 2	<b>Committee Referral:</b> EEP, CPC, FIN	<b>Date:</b> 3-12-20		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)	✓			
2. WILDBERGER, Tina (VC)	✓			
3. HAR, Sharon E.	✓			
4. TARNAS, David A.	✓			
5. TODD, Chris	✓			
6. YAMANE, Ryan I.				✓
7. THIELEN, Cynthia				✓
<b>TOTAL (7)</b>	5	0	0	2
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b> <i>T. Winga</i>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				