

STAND. COM. REP. NO.

**3398**

Honolulu, Hawaii

**FEB 28 2020**

RE: S.B. No. 3036

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. 3036, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY TECHNOLOGIES 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 clarifies that, notwithstanding any law to the contrary, previously approved commercial utility-scale renewable energy projects that are currently under development shall continue to be eligible to claim the renewable energy technologies income tax credit at the current credit rate and cap amount.

Your Committee received written comments in support of this measure from 350 Hawaii; Climate Protectors Coalition; Hawaii Clean Power Alliance; Hoohana Solar 1 LLC; Innergex Renewables USA, LLC; and twenty-two individuals.

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



Your Committee received written comments on this measure from the Department of Taxation; Hawaii State Energy Office; Hawaiian Electric Company, Inc.; and Tax Foundation of Hawaii.

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) Clarifying that the measure also applies to a commercial, utility-scale renewable energy project developed pursuant to a power purchase agreement filed with and pending approval from the Public Utilities Commission prior to December 31, 2019;
- (2) Deleting the amendment to section 235-12.5(k), Hawaii Revised Statutes, that limited the eligibility to receive a tax credit only if a project has a power purchase agreement that is approved by the Public Utilities Commission or is filed with or pending approval by the Commission prior to December 31, 2019;
- (3) Repealing section 235-12.5(k), Hawaii Revised Statutes, which provides that the renewable energy technologies income tax credit applies to renewable energy technology systems installed and placed in service on or after July 1, 2009;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) 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. 3036, S.D. 1, as amended herein, and recommends that it pass



Third Reading in the form attached hereto as S.B. No. 3036,  
S.D. 2.

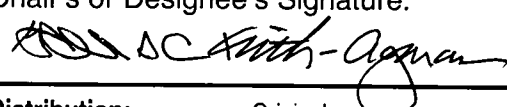
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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.:* <b>SB 3036, SD 1</b>	Committee Referral: <b>EET/CPH, WAM</b>	Date: <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>8</b>	<b>2</b>		<b>3</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