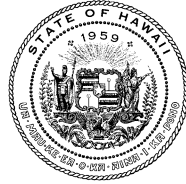


DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



RONA M. SUZUKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
Phone: (808) 587-1540 / Fax: (808) 587-1560
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Glenn Wakai, Chair;
The Honorable Brian T. Taniguchi, Vice Chair;
and Members of the Senate Committee on Energy, Economic Development, and
Tourism

From: Rona M. Suzuki, Director
Department of Taxation

Re: S.B. 2820, Relating to Renewable Energy

Date: Friday, January 31, 2020

Time: 2:55 P.M.

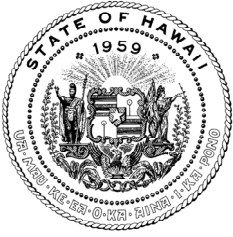
Place: Conference Room 414, State Capitol

The Department of Taxation (Department) offers the following comments on S.B. 2820.

S.B. 2820 amends section 235-12.5, Hawaii Revised Statutes (HRS), which governs the Renewable Energy Technologies Income Tax Credit (RETTTC). This measure raises the cap amount for credits available for solar energy systems on multi-family residential property from \$350 per unit per system to \$750 per unit per system. S.B. 2820 is effective upon approval and would apply to taxable years beginning after December 31, 2019.

The Department recommends changing the effective date to apply to taxable years beginning after December 31, 2020. This will ensure that the change to this credit will apply to future periods.

Thank you for the opportunity to provide comments.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5TH Floor, Honolulu, HI 96813 | energy.hawaii.gov

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

(808) 587-3807

Testimony of **SCOTT J. GLENN, Chief Energy Officer**

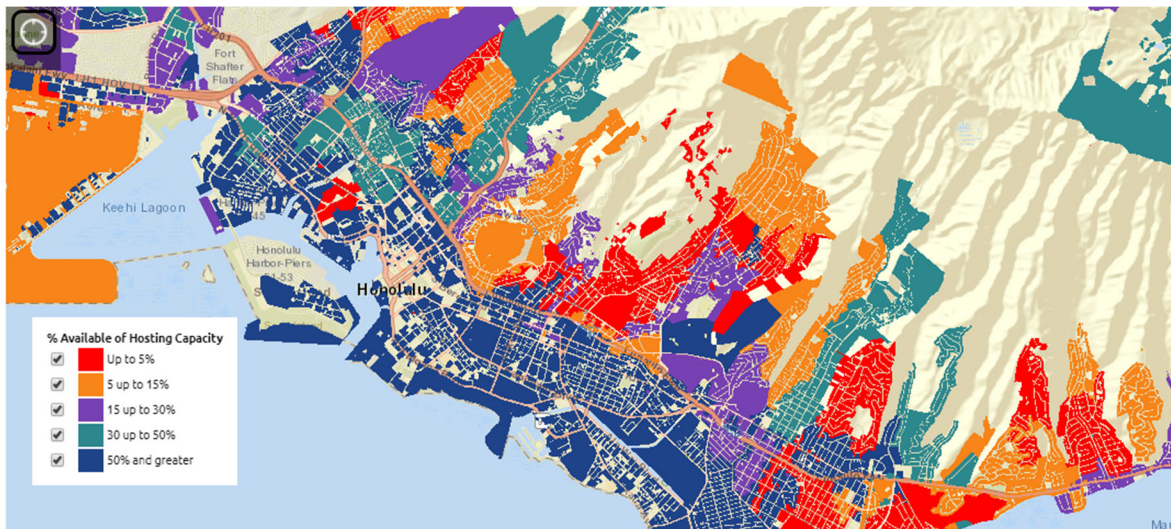
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Friday, January 31, 2020
2:55 PM
State Capitol, Conference Room 414

Comments in consideration of **SB 2820** **RELATING TO RENEWABLE ENERGY.**

Chair Wakai, Vice Chair Taniguchi, and members of the Committee. The Hawaii State Energy Office (HSEO) offers comments on SB 2820, which increases the renewable energy technology tax credit cap per unit for solar energy system for multi-family residential properties from \$350 to \$750 and is applicable to taxable years after December 31, 2019.

HSEO appreciates the stated intent of the bill to help allow residents who live in a multi-family residential property to be able to participate in renewable energy and assist in achieving the State's clean energy goals. HSEO notes that this increase in the tax credit for multi-family residential properties would enable those who are owners of these multi-family units to benefit from the increased tax credit; the extent to which the increased credit would directly benefit those who are renters of these multi-family units is unknown.

Anecdotal evidence indicates, however, that many multi-family residential properties could make use of solar water heating and photovoltaic energy, as these properties have a demand for hot water, are in areas with good solar resources, and may be on circuits with remaining hosting capacity for solar. A portion of Hawaiian Electric's Locational Value map is shown, to illustrate that some of the more densely populated areas of the state may have remaining hosting capacity (shown in blue, teal, and purple). This is similar to other neighborhoods in Hawaii with multi-family housing. Similar maps are available for Maui County and the island of Hawaii.



The Locational Value Map / Address Search Tool allows customers and solar contractors to see approximately how much space may be available for private rooftop solar installations in their area based on the big picture. The map displays the percentage of space currently available on our higher voltage primary system, but not on the

HSEO defers to the appropriate agencies regarding administration of the provisions and budgetary consideration inherent to this bill.

Thank you for the opportunity to testify.

SB-2820

Submitted on: 1/30/2020 7:06:52 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Testifying for Climate Protectors Coalition	Support	No

Comments:

The Climate Protectors Coalition **strongly supports SB2820!**

We are a new group inspired by the Mauna Kea Protectors but focused on reversing the climate crisis. As a tropical island State, Hawaii will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, and rising sea levels. We must do all we can to reduce our carbon footprint and become at least carbon neutral as soon as possible, including by encouraging use of photovoltaic systems. Residential tax credits should be increased from \$350 to \$750. Mahalo!

SB-2820

Submitted on: 1/29/2020 7:57:18 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Mulinix	Testifying for Our Revolution Hawaii	Support	No

Comments:

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Increase Multi-Family Cap for Renewable Energy Technologies Credit

BILL NUMBER: SB 2820

INTRODUCED BY: WAKAI, HARIMOTO, J. KEOHOKALOLE, Nishihara

EXECUTIVE SUMMARY: Increase the renewable energy technology tax credit cap per unit per solar energy system for multi-family residential properties from \$350 to \$750. Applies to taxable years beginning after 12/31/2019.

SYNOPSIS: Amends section 235-12.5, HRS, to increase the cap amounts for multi-family residential property from \$350 to \$750 per unit per system for solar energy systems. The cap for wind energy systems is not changed.

EFFECTIVE DATE: Taxable years beginning after December 31, 2019.

STAFF COMMENTS: The tax system is there to raise revenue to keep the government moving. Using the tax system to shape social policy merely throws the revenue raising system out of whack, making the system less than reliable as there is no way to determine how many taxpayers will avail themselves of the credit and in what amount.

Furthermore, tax credits are nothing more than the expenditure of public dollars, but out the back door. If, in fact, these dollars were subject to the appropriation process, would taxpayers be as generous about the expenditure of these funds when our kids are roasting in the public school classrooms, there isn't enough money for social service programs, or our state hospitals are on the verge of collapse?

If lawmakers want to subsidize the purchase of this type of technology, then a direct appropriation would be more accountable and transparent. The credit as currently drafted is very complex. Complexity makes proper administration of the credit very difficult. There will be taxpayers who will not claim the credit properly because of honest mistakes or misunderstandings, as well as bad actors who will intentionally claim the credit improperly for profit. Less complexity reduces the number of the former and makes it easier to catch the latter.

Digested 1/30/2020

SB-2820

Submitted on: 1/30/2020 10:25:12 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	Testifying for We Are One, Inc. - www.WeAreOne.cc - WAO	Support	No

Comments:

www.WeAreOne.cc



45-781 Kamehameha Hwy., Kaneohe, Hawaii 96744

Phone (808) 236-1110 * Fax (808) 236-1700

www.adonrenewables.com

Good People, Great Service, Changing the way electricity is delivered to our community

Testimony to the Committee on Energy, Economic Development & Tourism

**Friday, January 31, 2020 2:55 PM
Conference Room 414, Hawaii State Capitol**

Senate Bill 2820

Chair Wakai, Vice Chair Taniguchi, and members of the committee,

ADON strongly supports SB 2820, which relates to the renewable energy technology tax credit for multi-family residential properties.

ADON is a renewable energy technology company that partners with developers, which includes senior citizen and low income housing developments. Our work includes the installation of renewable rooftop photovoltaics and solar hot water heaters in these developments.

As the legislature knows, the cost of living in Hawaii is the highest in the nation, placing a tremendous burden on much of our population. For many in Hawaii, home ownership is simply out-of-reach, leaving over 56% of our population relying on rental properties just like the ones we work on. These renters are often the members of our communities most in need of our help, including senior citizens, working families, and low-income residents. Like most people in Hawaii, these renters also want to participate in Hawaii's clean and renewable energy, but because the existing investment tax credit for multi-family dwellings, where most of these renters live, is not equitable with that offered to single family and commercial properties, these local residents are left out.

We also know from recently released data that over 30% of our Hawaii rental residents are looking to leave Hawaii for the Mainland because they simply can't afford to make ends meet here. Those departures deny us our next generations of innovators and community members, and they put our kupuna at risk at the most fragile point in their lives.

This bill has the ability to directly impact that exodus and the crippling costs our friends and neighbors are facing. These residents are often living on fixed incomes or working multiple jobs to simply make ends meet. Offering incentives that go directly to them can help our future generations make it in the state they want to call home.

These incentive tax credits are essential to the affordability of renewable projects, which are passed on to the tenants in the form of discounted energy rates. At the current rate, without that tax credit, there is very little incentive for these renewable energy projects to be pursued in multi-family dwellings, denying those who need it most a bigger break in their utility bills.

The developer relies on federal and state tax credits to subsidize the ratepayer's rate, making clean energy available to these residents at a rate they can afford.

The legislature has addressed tax incentives for renewable energy during past sessions. In 2006 (Act 240), the legislature increased the cap for photovoltaic energy systems for single family dwellings over 285% and for

commercial dwellings by 200%. Multi-family dwellings, however, were left at the cap established in Session Laws of Hawaii, 2003, leaving this disadvantaged segment behind.

This bill proposes to level and equalize the cap amount for multi-unit dwellings to almost equal to the level that has spurred the record breaking solar installation activity in single family residents for the last 14 years. This is evidenced by the small amount of PV deployed in the multi-family market segment.

We appreciate the legislature's wise recognition of this previously under-served demographic and appreciate the work of this bill to level the playing field so that these residents can feel the benefits of renewable energy and lowered rates.

Thank you for the opportunity to testify.



183 Pinana St., Kailua, HI 96734 • 808-262-1285 • info@350Hawaii.org

To: The Senate Committee on Energy, Economic Development, and Tourism
From: Brodie Lockard, Founder, 350Hawaii.org
Date: Friday, January 31, 2020, 2:55 pm

In strong support of SB 2820

Dear Chair Wakai, Vice Chair Taniguchi, and members:

350Hawaii strongly supports SB 2820.

Rooftop solar is one of the most potent tools Hawaii has for reducing our greenhouse gas emissions.

It's one of the few ways individuals can contribute significantly to meeting our clean energy goals.

Rooftop PV pays for itself in a few years, and then saves a great deal of money in the long term. But the upfront costs are prohibitive for many in our expensive state.

The renewable energy technology tax credit allows many citizens to install solar energy systems who otherwise would not. An additional \$400 can be just the nudge some people need to join the army of consumers doing their part to fight the Climate Crisis.

SB 2820 will allow more of us to help with the Climate Crisis, and to save significantly on long-term energy costs.

Brodie Lockard
Founder, 350Hawaii.org

SB-2820

Submitted on: 1/28/2020 1:09:43 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
pat gegen	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/28/2020 11:15:40 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Please support SB2820.

Mahalo,

Caroline Kunitake

SB-2820

Submitted on: 1/29/2020 9:05:47 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
J Riverstone	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/29/2020 9:41:47 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Hattie Gerrish	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/29/2020 12:55:24 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark K.Wilson III	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/29/2020 2:57:07 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
tlaloc tokuda	Individual	Support	No

Comments:

I support this bill

SB-2820

Submitted on: 1/29/2020 3:12:38 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie Hall Morin	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/29/2020 4:20:09 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support SB2820, which will help to mitigate climate change.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei

SB-2820

Submitted on: 1/29/2020 7:07:25 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/29/2020 9:28:54 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Phaethon Keeney	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/29/2020 10:47:15 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Individual	Support	No

Comments:

Aloha,

Solar PV energy systems are a critical part of our clean energy future strategy. They make terrific sense - we're blessed with sunshine and solar and storage solutions are now readily available. We need to enable broader rooftop solar penetration and our energy rebates are a great way to facilitate this.

I strongly support SB2820 as it will allow for the Renewable Energy Technology Tax Credit to be made more available. It will incentivize the adoption of rooftop solar and allow more of our residents to avail of cheaper, cleaner energy.

Please pass SB2820.

Sincerely,

Noel Morin

Hilo

SB-2820

Submitted on: 1/30/2020 5:06:45 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Support	No

Comments:

Hello,

My name is Nanea Lo and I'm a lifelong resident of Hawai'i in O'ahu. I fully support this bill.

Me ke aloha 'Ä• ina,

Nanea Lo

SB-2820

Submitted on: 1/30/2020 6:04:22 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Aaberg	Individual	Support	No

Comments:

Please support this bill. Rooftop solar is one of the few ways that individuals on their own can reduce carbon emissions. It pays for itself in a few years, but for most people the upfront costs are too much for most people to pay. The tax credit allows many to install solar systems that would not do so otherwise, and the addition \$400 credit can help others join this important fight. Please support, so more of us can help with the climate crisis.

Mahalo,

Lynn Aaberg

SB-2820

Submitted on: 1/30/2020 7:18:59 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Zoe Malia Ozoa Loos	Individual	Support	No

Comments:

To: The Senate Committee on Energy, Economic Development, and Tourism

From: Zoë Malia Ozoa Loos

Date: 1/30/2020

In strong support of SB 2820

Dear Chair Wakai, Vice Chair Taniguchi, and members:

I strongly support SB 2820.

Rooftop solar is one of the most potent tools Hawaii has for reducing our greenhouse gas emissions.

It's one of the few ways individuals can contribute significantly to meeting our clean energy goals.

Rooftop PV pays for itself in a few years, and then saves a great deal of money in the long term. But the upfront costs are prohibitive for many in our expensive state.

The renewable energy technology tax credit allows many citizens to install solar energy systems who otherwise would not. An additional \$400 can be just the nudge some people need to join the army of consumers doing their part to fight the Climate Crisis.

SB 2820 will allow more of us to help with the Climate Crisis and to save significantly on long-term energy costs.

Zoë Malia Ozoa Loos

SB-2820

Submitted on: 1/30/2020 7:44:53 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
helen raine	Individual	Support	No

Comments:

To: The Senate Committee on Energy, Economic Development, and Tourism

From: Helen Raine

Date of bill: Friday, January 31, 2020, 2:55 pm

In strong support of SB 2820

Dear Chair Wakai, Vice Chair Taniguchi, and members:

I strongly support SB 2820.

Rooftop solar is one of the most potent tools Hawaii has for reducing our greenhouse gas emissions. It's one of the few ways individuals can contribute significantly to meeting our clean energy goals. We should be facilitating the purchase of one of these systems for every home in Hawaii and mandating new builds to have solar panels. This proposal is a small step in the right direction.

Rooftop PV pays for itself in a few years, and then saves a great deal of money in the long term. But the upfront costs are prohibitive for many in our expensive state. The renewable energy technology tax credit allows many citizens to install solar energy systems who otherwise would not. An additional \$400 can be just the nudge some people need to join the army of consumers doing their part to fight the Climate Crisis. It is not enough - you need to keep working to increase the accessibility of solar power - but it is better than nothing.

SB 2820 will allow more of us to help with the Climate Crisis, and to save significantly on long-term energy costs.

Thanks and regards for your good work fighting climate change

Helen Raine

SB-2820

Submitted on: 1/30/2020 8:35:40 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Silver	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/30/2020 8:39:54 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lana Rose Olson	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/30/2020 10:26:09 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Dinner	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/30/2020 11:26:22 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Laurel Quarton	Individual	Support	No

Comments:

SB-2820

Submitted on: 1/30/2020 11:46:46 AM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

LATE

SB-2820

Submitted on: 1/30/2020 3:37:57 PM

Testimony for EET on 1/31/2020 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Geyer	Individual	Support	Yes

Comments:

Encouraging more people to go solar is not only beneficial to the environment but significantly reduces the monthly cost of living in Hawaii. Thank you for your continued support of this and other bills which help tackle the climate crisis!

LATE



Hawaii Solar Energy Association

Serving Hawaii Since 1977

**TESTIMONY OF THE HAWAII SOLAR ENERGY ASSOCIATION
IN REGARD TO SB 2820, RELATING TO RENEWABLE ENERGY TAX
CREDITS
BEFORE THE
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND
TOURISM
ON
FRIDAY, JANUARY 31, 2020**

Chair Wakai, Vice-Chair Taniguchi, and members of the committee, my name is Will Giese, and I am the Executive Director of the Hawaii Solar Energy Association, Inc. (HSEA).

The HSEA was founded in 1977 to further solar energy and related arts, sciences and technologies with concern for the ecologic, social and economic fabric of the Hawaiian Islands. Our membership includes the vast majority of locally owned and operated solar installers, contractors, distributors, manufacturers, and inspectors across all islands.

HSEA SUPPORTS SB2820. This measure increases the renewable energy technology tax credit cap per unit per solar energy system for multi-family residential properties from \$350 to \$750. Applies to taxable years beginning after 12/31/2019.

The HSEA has generally been in favor of tax credits for energy storage and renewable energy systems as a way for the state to direct customer behavior towards its renewable energy goals. This has been incredibly successful, and Hawaii enjoys one of the highest amounts of renewable energy installed per capita than any other state.

The Hawaii State Legislature also must be cognizant of developments regarding the federal tax credit. The solar industry is currently experiencing an increased amount of business activity for the past 12 months, driven almost completely by the first step down in the federal tax credit, from 30% to 26%. Another step down will happen in 2021, to 22%, and then the credit will be gone in 2022. This increased business activity is a false positive and likely does not reflect a resurgence of the market. The state needs to consider the full impact this step down will have to the industry (70% of which is locally owned and operated), state's energy goals, and the people of Hawaii. Unless there are significant changes to Hawaii's clean energy market, such as more well-structured tax credit, better interconnection programs that provide greater value streams for consumers, or ideally both, the outlook for the state's energy goals is grim.

Raising the cap amount on multi-family housing may help to increase the value proposition for that segment of the market, allowing even greater renewable energy penetration and allowing for more cost savings and ancillary benefits.



Hawaii Solar Energy Association

Serving Hawaii Since 1977

The HSEA **supports SB2820** and we ask this committee to approve this measure.

Thank you for the opportunity to testify.