

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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ISAAC W. CHOY
DIRECTOR OF TAXATION

To: The Honorable Donovan M. Dela Cruz, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair;
and Members of the Senate Committee on Ways and Means

From: Isaac W. Choy, Director
Department of Taxation

Date: March 4, 2021
Time: 10:00 A.M.
Place: Via Videoconference, Hawaii State Capitol

Re: S.B. 1237, S.D. 1, Relating to Taxation

The Department of Taxation (Department) offers the following comments regarding S.B. 1237, S.D. 1, for your consideration.

S.B. 1237, S.D. 1, amends section 235-12.5, Hawaii Revised Statutes (HRS), which governs the renewable energy technologies income tax credit (RETITC). The proposed bill would amend the credit by reducing the applicable cap amounts allowed to qualified taxpayers by 50 percent. The 50% decrease on caps applies to credits for all solar energy systems and all wind-powered energy systems, whether on single-family residential property, multi-family residential property, and commercial property. The measure is effective January 1, 2022.

The Department notes that it is able to administer this measure as currently written. Thank you for the opportunity to provide comments.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Website: gemshawaii.gov

Telephone: (808) 587-3868
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Testimony of
Gwen Yamamoto Lau
Executive Director
before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, March 4, 2021
Time: 10:00 A.M.
State Capitol, Conference Room No. 211 & Videoconference

In consideration of
SENATE BILL NO. 1237, SD 1
RELATING TO TAXATION

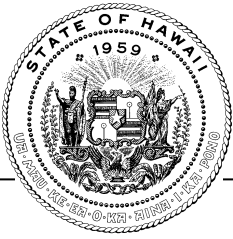
Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means:

Thank you for the opportunity to offer comments on Senate Bill 1237, SD1 relating to taxation. This bill proposes to reduce the applicable cap amount of credit for each eligible renewable energy technology system, per section 235-12.5, Hawaii Revised Statutes, by half.

It is understandable, given the state's current fiscal crisis, to seek opportunities to decrease incentives, such as the solar tax credit. However, it is equally important, because of the state's current economic situation, to leverage fiscal policy tools, such as the solar tax credit, to spur continued and increased investments in green infrastructure, which will support our construction industry, stimulate economic recovery and drive higher paying green jobs, while working to lower the cost of energy for our underserved ratepayers and achieve the state's clean energy goals.

HGIA defers to the Department of Taxation on implementation.

Thank you for this opportunity to provide comments for SB 1237, SD1.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, March 4, 2021
10:00 AM
State Capitol, Conference Room 221 & Videoconference

Comments in consideration of
SB 1237, SD1
RELATING TO TAXATION.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawaii State Energy Office (HSEO) offers comments on SB 1237, SD1, which would reduce by half the renewable energy technologies income tax credit cap amounts, beginning in 2022.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

Incentives have proven to be an effective mechanism to achieve these goals. A change of this degree could cause a significant disruption in the industry and for homeowners and businesses looking to reduce their expenses at this challenging time.

HSEO appreciates the revision to the proposed start date of the measure. HSEO defers to the Department of Taxation on the bill's implementation.

Thank you for the opportunity to testify.

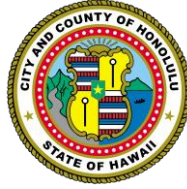
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

CITY AND COUNTY OF HONOLULU

925 DILLINGHAM BOULEVARD, SUITE 257 • HONOLULU, HAWAII 96817
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LATE

RICK BLANGIARDI
MAYOR



M ATTHEW GONSER, AICP, CFM
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER

THURSDAY, MARCH 4, 2021, 10:00 A.M.

STATE OF HAWAII
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON SENATE BILL 1237, SD1
RELATING TO TAXATION**

BY,

MATTHEW GONSER
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The City and County of Honolulu (City) Office of Climate Change, Sustainability and Resiliency (CCSR) **strongly opposes** Senate Bill 1237, SD1, which reduces the renewable energy technologies tax credit by one half.

The renewable energy technologies tax credit established in Section 235-12.35 of the Hawai'i Revised Statutes has been and will continue to be a crucial mechanism for driving renewable energy usage, energy affordability, and green job growth on O'ahu and across the state of Hawai'i. Greatly reducing this incentive threatens to decrease the proliferation of renewable energy technologies in our community, increase cost burden to businesses and households, and contribute to job losses. Given the economic impact the COVID-19 pandemic has had on households and local businesses, as well as its impact on unemployment, this bill may ultimately prolong our economic recovery as opposed to stimulate our economy. Additionally, by cutting investments in renewable energies, this bill will make it more difficult to achieve the renewable energy goals of both the state and the City.

Thank you for the opportunity to testify on SB1237, SD1.

SB-1237-SD-1

Submitted on: 3/2/2021 12:36:48 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
P Kuromoto	Testifying for Sunaru Inc dba Solar Help Hawaii	Oppose	No

Comments:

Renewable energy investments are some of the best investments the state can make. They provide economic security for residents and reap more than 100% return for the state. It does not make sense to reduce the investment.

- SB1237 SD1 halves the dollar value cap for all solar projects beginning in January 2022. Customers who are planning to install systems after this year will be negatively impacted as will the overall industry.
- HECO's own models demonstrate that every rooftop is needed to reach Hawaii's 100% renewable goal. This bill challenges Hawaii's clean energy future and continues our reliance on dirty fossil fuels.
- The average residential bill in Hawaii has dropped by 20% because of rooftop solar and energy efficiency. This is an incredible Hawaii-grown success story. Arbitrarily lowering the tax credit now assures further hardship on those who need rate relief the most.
- The solar industry has been a main driver keeping Hawaii's economy going throughout the COVID pandemic. We employ thousands of local workers in diverse, good paying jobs. Over 70% of the solar industry is locally owned and operated - passing this bill would be devastating to the economic engine keeping Hawaii's economy afloat.
- Multiple studies have shown that the solar tax credit is a net positive investment. For every credit dollar issued the State gets back 2 - 3 times its investment. Rather than pull back, the State should show alignment with Federal policy to further invest in combating climate change and stimulate the economy through proven investments.

SB-1237-SD-1

Submitted on: 3/2/2021 12:51:30 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
PAUL OREM	Testifying for Photonworks Engineering LLP	Oppose	No

Comments:

Aloha Senators,

I am writing to you today to express my **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID-19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

This bill will hurt Hawaii's economy and will lead to more unemployment as a result putting in jepody many businesses within the renewable energy sector that are already struggling due to the downturn in the state economy.

Respectfully submitted,

Paul Orem - CEO

Photonworks engineering LLP



SIERRA CLUB OF HAWAI'I

SENATE COMMITTEE ON WAYS AND MEANS

March 4, 2021 10:00 AM

In **OPPOSITION** of **SB1237 SD1**: Relating to Taxation

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee,

On behalf of our 27,000 members and supporters, the Sierra Club of Hawai'i **opposes SB1237 SD1**, which proposes to cut the state's Renewable Energy Income Tax Credit by 50%, effective January 1, 2022.

The Hawai'i Legislature will need to make difficult decisions to address Hawai'i's current and projected budget shortfalls amidst the COVID-19 pandemic. While COVID-19 relief and response funding remains the top priority, we urge you to also be working to save as many jobs as possible while supporting a more sustainable, equitable economic future in the long-term.

One of the sustainable, long term actions we need is to preserve Hawai'i's solar tax credit. The current solar tax credit not only makes installing solar systems on homes and local businesses affordable, it also lowers everyone's electricity bills, supports thousands of local solar jobs in our communities, and provides tax revenue to the state.

While Hawai'i's tourism-based economy continues to struggle, we need to look at diversified industries that can be preserved and expanded to fill unemployment gaps. The solar industry is just that—70% of the solar companies in Hawai'i are locally owned and operated, employing over 4,000 installers, contractors, sales representatives, electricians, and many others in good paying, sustainable jobs.¹ If solar becomes unaffordable, the industry itself would dissolve at a critical time in the climate crisis and thousands of jobs would be lost.

The tax credit provides cost-savings to consumers:

The Hawai'i Energy Tax Credit allows individuals to claim an income tax credit of as much as 35% of the cost of equipment and installation of a residential photovoltaic (PV) system or solar hot water heater. The tax credit for a PV system is currently capped at \$5,000 per "5 kW

¹ US Department of Energy, Hawaii Energy and Employment Report, 2020:
<https://static1.squarespace.com/static/5a98cf80ec4eb7c5cd928c61/t/5e78139de08d1b666d1ed07e/1584927646547/Hawaii-2020.pdf>

system” and the tax credit for solar hot water systems is capped at \$2,250. We oppose reducing this credit.

The tax credit has helped drop the average electricity bill in Hawai‘i by 20% for all ratepayers from 2011-2018², not just those who benefited from the tax credit themselves. In our current economic landscape, Hawai‘i's residents are looking to save as much money each month as they can.

The state benefits from the solar tax credit:

Studies show that for each solar tax credit dollar spent, the state receives \$1.97-\$2.67 dollars in additional tax revenues³—meaning that the state makes \$137 million from a \$70-million-a-year expenditure.

Hawai‘i also has the ambitious goal of being 100% renewable energy powered by 2045. The Hawaiian Electric Company acknowledges that rooftop solar is essential to reach that goal.⁴ Eliminating the state's tax credit would not only cripple our local solar industry, but severely limit Hawai‘i's ability to reach our clean energy goals.

Why preserve the tax credit now, when the state is looking at major budget cuts?

Hawai‘i needs a diversified economy more than ever. Relying on industries such as tourism are not sustainable—for our people or environment—and we now see how fragile a tourism-based economy can be. Supporting other industries, like the local solar industry, can help diversify our workforce and will likely be a growing industry as we track closer toward 100% renewable energy sources. The Solar Foundation estimates that for every megawatt of residential solar installed, 38.7 jobs are created.⁵

It is also safe to assume that once a tax credit is reduced, it is unlikely to be re-implemented in the future. The cost of solar has been dropping, which means that installs which were not feasible are becoming feasible. Reducing the tax credit now adversely impacts low-middle income residents who have so far been unable to afford a solar PV or a solar hot water system.

It is critical to keep the renewable energy income tax credit available, as is, to incentivize clean energy and bolster the solar industry through the COVID-19 crisis. **Please defer SB1237.**

² Hawaii State Energy Office, Hawaii Energy Facts and Figures, July 2019:
https://energy.hawaii.gov/wp-content/uploads/2019/07/2019-FF_Final.pdf

³ Thomas A. Loudat & Prahlad Kasturi, 2017. "The Economic and Fiscal Impacts of Hawaii's Solar Tax Credit," International Journal of Energy Economics and Policy, Econjournals, vol. 7(1), pages 224-252:
<https://ideas.repec.org/a/eco/journ2/2017-01-24.html>

⁴ SP Global Marketplace Intelligence, "Hawaiian Electric says rooftop solar essential to meet 100% clean energy goal", Feb. 14, 2020:

<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/hawaiian-electric-says-rooftop-solar-essential-to-meet-100-clean-energy-goal-57108589>

⁵ National Solar Jobs Census 2018, The Solar Foundation:
<https://resources.solarbusinesshub.com/images/reports/206.pdf>

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Decrease Cap Amounts for Renewable Energy Technologies Credit

BILL NUMBER: SB 1237, SD1

INTRODUCED BY: Senate Committee on Energy, Economic Development, and Tourism

EXECUTIVE SUMMARY: Reduces the cap amounts of the renewable energy technologies income tax credit.

SYNOPSIS: Amends section 235-12.5, HRS, to halve the per-system cap amounts for solar heating, other solar (photovoltaic, for example), and wind energy systems.

EFFECTIVE DATE: 1/1/2022.

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?

For these reasons, we believe the bill is a step in the right direction. Section 235-12.5, HRS, can be traced back to Act 207, SLH 2003. The argument that the industry is a fledgling industry still needing mother's milk vaporized years ago. This bill would help to wean the industry away from credits and toward economic survival in the marketplace.

Digested 3/2/2021

Douglas White
Affordable Solar Contracting
25 B Kilea Place, Wahiawa HI 96786
(808) 623-1115 License # C-20674
Testimony of Douglas White
RME of Affordable Solar Contracting
e-mail: affordable.solar.testimony@gmail.com

In OPPOSITION of SB 1237 SD1
RELATING TO TAXATION

Before the
SENATE COMMITTEE ON WAYS AND MEANS (WAM)
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Thursday, March 4, 2021 10:00 A.M.
State Capitol
415 South Beretania Street

Aloha Senators,

My name is Douglas White. I am RME of Affordable Solar Contracting and a member of the Hawai'i Solar Energy Association. Affordable Solar Contracting is a Solar installation company working towards 100% Renewable Energy capacity in Hawai'i

I am writing to you today to express my opposition to SB1237 SD1 and am asking that you defer this bill.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects retroactive to January 1st, 2021. That includes community solar projects, affordable housing projects, and everyday folks who are choosing to control their own energy costs right now.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawai'i has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 SD1 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawai'i is what will pull us out of our current pandemic. Please defer SB1237 SD1.

Mahalo for taking the time to read this message,

Thank you for allowing me to testify in **OPPOSITION** of **SB 1237 SD1**.

Douglas White – dig signature
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Affordable Solar Contracting
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e-mail: affordable.solar.testimony@gmail.com



Laurence Ponce

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Testimony of Laurence Ponce
RME of Solar Services Hawaii
e-mail: solar.services.hi.testimony@gmail.com

In OPPOSITION of SB 1237 SD1
RELATING TO TAXATION

Before the
SENATE COMMITTEE ON WAYS AND MEANS (WAM)
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Thursday, March 4, 2021 10:00 A.M.
State Capitol
415 South Beretania Street

Aloha Senators,

My name is Laurence Ponce. I am RME of Solar Services Hawaii and a Member of the Hawai'i Solar Energy Association. Solar Services Hawaii is a Solar installation company working towards 100% Renewable Energy capacity in Hawai'i

I am writing to you today to express my opposition to **SB1237 SD1** and am asking that you defer this bill.

As written, **SB1237 SD1** cuts the solar tax credit dollar cap in half for all solar projects retroactive to January 1st, 2021. That includes community solar projects, affordable housing projects, and everyday folks who are choosing to control their own energy costs right now.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

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Continuing to lead and working together to build a better Hawai'i is what will pull us out of our current pandemic. Please defer **SB1237 SD1**.

Mahalo for taking the time to read this message,

Thank you for allowing me to testify in **OPPOSITION** of **SB1237 SD1**.

Laurence Ponce – dig signature

Laurence Ponce
Solar Services Hawaii LLP
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Testimony of Alan Lennard
Managing Director of Green Power Projects LLC
e-mail: alan.lennard@greenpowerprojects.com

In OPPOSITION of SB 1237 SD1
RELATING TO TAXATION

Before the
SENATE COMMITTEE ON WAYS AND MEANS (WAM)
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Thursday, March 4, 2021 10:00 A.M.
State Capitol
415 South Beretania Street

Aloha Senators,

My name is Alan Lennard. I am Managing Director Green Power Projects LLC. Green Power Projects is a Solar integration and facilitation company working towards 100% Renewable Energy capacity in Hawai'i

I am writing to you today to express my opposition to **SB1237 SD1** and am asking that you defer this bill.

As written, to **SB1237 SD1** cuts the solar tax credit dollar cap in half for all solar projects retroactive to January 1st, 2022. That includes community solar projects, affordable housing projects, and everyday folks who are choosing to control their own energy costs right now.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawai'i has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawai'i is what will pull us out of our current pandemic. Please defer to **SB1237 SD1**.

Mahalo for taking the time to read this message,

Thank you for allowing me to testify in **OPPOSITION** of **SB 1237 SD1**.

Alan Lennard - dig signature

Alan Lennard
Managing Director
Green Power Projects LLC
P.O. Box 818
Haleiwa, HI 96712-0818



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE
COMMITTEE ON WAYS AND MEANS**

SB 1237 SD 1

Relating to Taxation

Thursday, March 4, 2021
10:00 a.m., Agenda Item #13
State Capitol, Conference Room 211

Ian Morikawa
Manager, Customer Energy Resources Programs
Hawaiian Electric Company

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

My name is Ian Morikawa and I am testifying on behalf of Hawaiian Electric Company with comments on SB 1237 SD 1, Relating to Taxation and respectfully request consideration **in opposition to reducing the tax credit for commercial properties in SB 1237 SD 1. Hawaiian Electric takes no position on the reduction of the tax credit for residential properties in SB 1237 SD 1.**

SB 1237 SD 1 proposes changes to Hawaii Revised Statutes (HRS) Section 235-12.5 to amend the renewable energy technologies income tax credit amounts for solar water heater systems, other solar energy systems, and wind energy systems for single-family residential property, multi-family residential property and commercial property.

S.B. 1237 SD 1 proposes amending subsection (b)(2)(C) to HRS Section 235-12.5, which would reduce the solar energy system cap amount for commercial property from \$500,000 to \$250,000 per system taking effect on January 1, 2022. Hawaiian Electric opposes a reduction of the tax credit for utility scale projects with power purchase agreements approved by the Public Utilities Commission that will benefit all customers. Hawaiian Electric opposes such a change because the tax credit allows for

the procurement of lower cost energy, which is needed if we are to reach our 100% renewable energy goals in a cost-effective manner. Reducing the tax credit for new commercial projects will raise the cost of energy for our customers, primarily impacting those who do not have rooftop solar. To this end, Hawaiian Electric supports tax credits for solar projects dedicated to helping customers with low to moderate incomes.

Hawaiian Electric is currently working on developing these types of programs through, for example, its Community Based Renewable Energy Program.

The largest procurement of renewable energy in the State's history is currently ongoing. If developers are eligible for the tax credit, they will be required to pursue and remit the tax credit proceeds they receive to Hawaiian Electric, and Hawaiian Electric would pass such proceeds through to customers directly and without mark-up, resulting in a reduction to customers' electric bills. If the tax credit were to be reduced for future projects, these projects would be more costly. We also note that tax credits for utility scale generation allow those who cannot afford rooftop solar or who live in condos or rental units the ability to benefit from the low-cost renewable energy.

SB 1237 SD 1 also proposes amending subsection (b)(2)(A) and (b)(2)(B) to HRS Section 235-12.5, which would reduce the solar energy system cap amount for single-family residential property from \$5,000 to \$2,500 per system and multi-family residential property from \$350 to \$175 per unit per system taking effect on January 1, 2022.

At this time, Hawaiian Electric takes no position on whether the tax credit for residential systems should be reduced. The segment of our customers who have generally benefited from this tax credit are homeowners who are financially able to invest in a rooftop solar system. Moreover, residential income tax credits were intended

to spur early adoption in a nascent industry, but they have arguably served their purpose now that we are leading the nation in customer adoption of rooftop solar. In the current environment of a State budget shortfall due to COVID-19, the Company recognizes that it may be prudent to decrease this tax credit that benefits customers with a relatively higher income demographic. That said, the Company is relying heavily on customer-sited renewable energy to reach our 100 percent clean energy goals by 2045, and views renewable energy as a catalyst to economic recovery from COVID-19. Thus, the current amount of tax credit may have a stronger incentive for customers to invest in private rooftop solar, which then supports the local solar industry, provides jobs, supports our economy, and advances our renewable energy goals. For these reasons, at this time, Hawaiian Electric defers to the Legislature to more holistically weigh competing budgetary priorities during this economic climate and takes no position on the residential tax credit.

Accordingly, Hawaiian Electric **opposes reducing the tax credit for commercial properties and takes no position on the reduction of the tax credit for residential properties in SB 1237 SD 1**. Thank you for this opportunity to testify.



SENATE COMMITTEE ON WAYS AND MEANS

March 4, 2021, 10:00 a.m.
(*Testimony is 3 pages long*)

TESTIMONY IN OPPOSITION TO SB 1237, SD1

Aloha Chair Wakai and Members of the Committee:

Hawaii PV Coalition respectfully OPPOSES SB 1237 SD1, cutting the renewable energy tax credit effective January 1, 2022.

Coming out of the COVID pandemic, smart renewable energy policy is critical to economic growth. On a national level, 1 out of 20 new jobs currently arise from the clean energy sector. Here, in Hawaii, nearly 2,500 jobs come out of the solar industry alone currently, and we know this amount can increase. During the last great recession hitting Hawaii, solar activity accounted for over 25% of the total construction activity in the state, generating substantial governmental revenue, economic growth, and substantial savings to Hawaii residents.

Rooftop solar benefits all Hawaii residents. **Since 2011, the average electric bill has dropped by over 15%, largely as a result of the wide-spread deployment of rooftop solar.**¹ In state where the high cost of living is a foremost concern, Hawaii's renewable energy income tax credit is an incredible success story. Hawaii residents, on average, see \$30 to \$40 more in their pocket per month because of rooftop solar.

Adoption of utility-scale renewable energy resources has *not* similarly reduced the cost of living. Despite the overall reduction in the worldwide cost of oil and numerous new wind and utility-scale solar farms, the overall electricity rate — the amount people pay for

¹ See Hawaii Energy Facts & Figures at 5 (July 2019), available at https://energy.hawaii.gov/wp-content/uploads/2019/07/2019-FF_Final.pdf.

electricity — has stayed largely the same since 2011.² Put another way: while utility-scale renewable energy is important to Hawaii’s energy and environmental goals, it has not yet and is unlikely in the near term to decrease the highest electrical rates in the country (more than 2-3 times the national average).

Hawaii’s renewable tax credit has empowered residents to install rooftop solar from Aiea to Wahiawa. ***One in three homes in Hawaii now has rooftop solar.*** It has become ubiquitous. In turn, rooftop solar has become the single largest contributor of renewable energy in Hawaii — nearly 40% of all renewable energy in Hawaii now comes from rooftop solar.

While the renewable energy tax credit could be weaned down over time, such a reduction must be coordinated with Hawaii’s clean energy goals and be fair to the remaining residents who have not yet had a chance to adopt rooftop solar. This is particularly true of multifamily and affordable housing, where equity and fairness principles come into play as new technology comes online to address these types of units.

Despite a great deal of progress, the goals of the renewable energy tax credit remain the same:

Hawaii’s dependence on petroleum for about ninety per cent of its energy needs is more than any other state in the nation. This makes the State extremely vulnerable to any oil embargo, supply disruption, international market dysfunction, and many other factors beyond the control of the State. Furthermore, the continued consumption of conventional petroleum fuel negatively impacts the environment. At the same time, Hawaii has among the most abundant renewable energy resources in the world, in the form of solar, geothermal, wind, biomass, and ocean energy assets.

Act 240 (2006). Further “increased . . . use of renewable energy resources would increase Hawaii’s energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.” *Id.*

Hawaii residents strongly support more rooftop solar. A 2015 SMS poll demonstrated that 77% of Hawaii residents “strongly support” and 20% “somewhat support” more rooftop solar in Hawaii. Only 1 per cent “somewhat oppose” and no one polled “strongly opposed” more rooftop solar. Few issues have ever resulted in such an unanimous concurrence among Hawaii residents.

² In 2011, the average residential rate was \$0.32 per kilowatt hour on Oahu. In 2018, the average residential rate was \$0.31 kWh. *See id.*

Hawaii PV Coalition welcomes a discussion about the future of Hawaii's solar tax credit. Nonetheless, in light of the federal income tax credit step down, and the ambitious nature of Hawaii's clean energy goals, we propose taking this step in conjunction with a broader clean energy plan. We recommend this Committee direct DBEDT to conduct a study on how Hawaii can best achieve its 100% RPS with a nod towards related policy goals such as equity, average bill reduction, job stimulus, and economic development.

Mahalo for the opportunity to submit these comments.

The Hawaii PV Coalition was formed in 2005 to support the greater use and more rapid diffusion of solar electric applications across the state. Working with business owners, homeowners and local and national stakeholders in the PV industry, the Coalition has been active during the state legislative sessions supporting pro-PV and renewable energy bills and helping inform elected representatives about the benefits of Hawaii-based solar electric applications.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

**Testimony of The Hawaii Solar Energy Association Regarding SB 1237 SD1, Relating to Taxation, Before
the Senate Committee on Ways and Means**

Thursday, March 4, 2021

Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee, my name is Rocky Mould and I am the Executive Director of the Hawaii Solar Energy Association (HSEA). Our membership includes the majority of locally owned and operated renewable energy companies in the State of Hawaii.

HSEA STRONGLY OPPOSES SB 1237 SD1. This measure halves the tax credit dollar value cap for renewable energy projects beginning in January 1, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other segments of the market for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, harming all residents and hamstringing one of Hawaii's leading job creating industries just when we need it most.

According to the Hawaiian Electric Company's most recent Renewable Portfolio Standard (RPS) reporting, across all its island systems, solar currently makes up over 60% of total renewable generation, with rooftop solar alone making 47%.¹ The solar industry in Hawaii employs thousands of local individuals in a diverse set of well-paying jobs including, but not limited to, contractors, designers, electricians, engineers, financiers, installers, salespeople, and service technicians. Our developments help to reduce the high cost of electricity across the State, with rooftop solar and energy efficiency measures like solar water heating systems being the primary driver to an average electric bill savings of over 20% for all ratepayers since 2012.

To emphasize the impact that behind-the-meter resources, like rooftop solar, have on all consumer electric bills we can look to DBEDT's data set tracking average residential rates between 2011 and 2018. The data shows that the average consumer electric bill declined by more than 20% in this time despite the cost of electricity remaining approximately the same. The two biggest developments during this time were increasing scale of rooftop solar deployments and energy efficiency programs. So regardless of whether a HECO customer has a solar system on their roof, they still benefit from every new system that is installed. Additionally, technologies that can be paired with on-site solar systems, such as energy

¹ See Hawaiian Electric's Key Performance Metrics for Renewable Energy here:
<https://www.hawaiianelectric.com/about-us/key-performance-metrics/renewable-energy>



Hawaii Solar Energy Association
Serving Hawaii Since 1977

storage and electric vehicle charging infrastructure, provide further benefits to grid stability and resilience, utility infrastructure cost savings, and peak shaving.

If the legislature intends to halve the tax credit cap limits for renewable energy projects in the manner described in SB 1237 SD1 then we suggest that this decision be based on facts. Currently, every major stakeholder in Hawaii from HSEA to HECO to the PUC has contended that customer-sited, distributed energy resources are an essential part of propelling the State to 100% RPS by 2045. Stated another way, all stakeholders assert that our industry needs tools to go faster. Arbitrarily halving the credit caps contradicts the highly researched, considered, and deliberated positions of these parties, weakens our fight against climate change, makes us less resilient, and increases our dependence on imported, expensive, and dirty fossil fuels.

The local renewable energy industry is a true Hawaii-grown success story and we have been a main driver keeping Hawaii's economy going throughout the COVID pandemic. When the COVID pandemic began we deployed a comprehensive COVID-19 guidebook to keep our industry workers and their customers safe thus allowing our essential services to provide much-needed relief for residents and workers, and help stimulate the economy. Increasing investment in areas proven to be net positive investments to the State, like the renewable energy tax credit, will be what is required to rebuild our economy – certainly not the opposite.

We are open to a study that examines the impacts of lowering the dollar cap values for the tax credit on ratepayers, the industry, and the State's energy goals. We would be more than willing to lend our expertise by participating in such a study. Absent more fact-finding and research on the potential negative impacts of this measure, we cannot support this bill.

Respectfully, the HSEA **opposes SB 1237 SD1** and we ask the legislature to defer this measure.



TESTIMONY OPPOSING SB 1237, SD 1

**Senate Committee on Ways and Means
March 4, 2021 at 10:00 AM**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

Tesla appreciates the opportunity to submit this testimony in opposition to SB 1237, SD 1 which cuts the solar tax credit dollar cap in half for all solar projects starting on January 1st, 2022. We respectfully ask that you defer any action on this bill.

We appreciate the difficult decisions you have to make in this budget climate. However, by dramatically reducing the value of the tax credit in a single step, the bill threatens to disrupt an entire industry that employs thousands of people in meaningful work advancing key state policy goals. This could have the unintended effect of exacerbating an already challenging fiscal outlook.

In past years, Tesla has supported a compromise proposal that would gradually step down the tax credit to zero over a 10+ year period. This would give the industry and customers adequate notice and allow all stakeholders to plan for the eventual elimination of the credit in a fair and rational manner. We respectfully ask that you consider this again.



SENATE COMMITTEE ON WAYS AND MEANS

March 4, 2021, 10:00 A.M.

Video Conference

TESTIMONY IN OPPOSITION TO SB 1237 SD1

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Blue Planet Foundation **opposes SB 1237 SD1**, which cuts in half the amounts of the renewable energy technologies income tax credit in Hawai'i. We recognize that the legislature is faced with difficult decisions about balancing the state budget as Hawai'i seeks to recover from the economic impacts of the COVID-19 pandemic. Yet this is precisely the moment when we must be making policy decisions that support a path toward a diversified economy rather than reverting back to our fragile tourism-dependent economy.

Solar energy is a bright spot in Hawai'i. The solar tax credit has been effective at making Hawai'i a leader in solar installations—creating local jobs and providing steady revenue from its business creation. What's more, thanks to the tax credit more Hawai'i families and businesses have access to the benefits of clean energy and reduced electricity bills, including low- and moderate-income residents we were not in a financial position to be early adopters of this technology.

The renewable energy tax credit supports local economic activity, energy independence, and homegrown power. The installation of solar water heaters, photovoltaic systems, and wind systems helps to plug the leak of billions of dollars out of the islands' economy to pay for imported fossil fuel—in 2019, for example, more than 90% of foreign crude imports to Hawai'i came from Libya and Russia.¹ In contrast, investments in local, renewable technology—and the companies and jobs that provide it—pay dividends back to the state in the form of income tax, general excise tax, and outside investment—among other forms.

Every roof in Hawai'i should be home to solar energy (either photovoltaic or solar hot water or both). Distributed energy engages more people in our clean energy future, encourages private investment in our power system, increases energy and community resilience, and creates a steady stream of well-paying jobs.

¹ "Hawai'i's Energy Facts & Figures, 2020 Edition," Hawaii State Energy Office, https://energy.hawaii.gov/wp-content/uploads/2020/11/HSEO_FactsAndFigures-2020.pdf.

Gradually stepping down the renewable energy tax credit over time makes sense, but Blue Planet respectfully encourages the Committee to consider a longer step-down period than the abrupt and swift 50% cut proposed in SB 1237 SD1.

Thank you for the opportunity to provide testimony.



Testimony Before the Senate Committee on Ways & Means

By David Bissell
President and Chief Executive Officer
Kauai Island Utility Cooperative
4463 Pahee Street, Suite 1, Lihue, Hawaii, 96766-2000

Thursday, March 4, 2021; 10:00 am
Conference Room #211

Senate Bill No. 1237 SD1 - Relating to Taxation

To the Honorable Sen. Donovan M. Dela Cruz, Chair, Sen. Gilbert S.C. Keith-Agaran, Vice Chair and Members of the Committee:

Kauai Island Utility Cooperative (KIUC) is a not-for-profit utility providing electrical service to more than 33,000 commercial and residential members. Over the past 10 years, KIUC has made great strides in achieving the state mandate of 100% renewable generation by the year 2045. In 2020, KIUC's energy mix included more than 60% renewable generation, leading the state. Also in 2020, KIUC operated the Kauai electric grid at 100% renewable generation on 280 separate days for a total of 1,497 hours.

KIUC believes that HRS §235-12.5 has successfully incentivized the energy sector's movement toward 100% renewable energy generation, especially through the use of credits for eligible renewable energy technology systems for commercial properties.

KIUC has utilized the tax credits allowable under HRS §235-12.5 to develop projects that boosted its renewable production from 11% in 2013 to more than 60% in 2020. Seventy-one megawatts (MW) of utility-scale solar and solar-plus-storage facilities have been added during that period. KIUC has seen significant stabilization in its rates over the past five years, in large part due to replacing the volatile pricing of fossil fuels with the stability of long-term power purchase agreements (PPA) for renewable energy resources that have benefited from these tax credits.

Last year, HRS §235-12.5 was amended to include credits for a solar pumped storage hydro project, which applies to the West Kauai Energy Project. In order to comply with the amendment, KIUC filed a power purchase agreement for the project with the Hawaii Public Utilities Commission in December 2020.

WKEP, which will provide long-duration storage and push KIUC above 80% renewable, is critically important in our strategic plan to meet the State of Hawaii mandate of 100% renewable by 2045. If successful, this project will invest more than \$100 million in the rehabilitation and maintenance of state-owned infrastructure – namely diversion structures, ditches and reservoirs – from Kokee to Mana. It will allow the Department of Hawaiian Home Lands to put hundreds of acres of agricultural land back into use, while insuring that the instream flow standard recently established for the Waimea River and its tributaries is met.

The cost to build and maintain WKEP will be financed over a period of 50 years by the sale of electricity to KIUC members. The power purchase agreement pending PUC approval includes the assumption that these credits will remain available to the project. Rescinding the tax credits would result in an increase in project costs, which will ultimately be passed on to KIUC's member-owners.

We ask for your consideration of the long-term benefits of WKEP not just to KIUC, but to the State of Hawaii as well, and **urge you to adopt the following amendment to SB1237 SD1, under subsection (b) (2):**

(C) [~~\$500,000~~] \$250,000 per system for commercial property, or \$500,000 per system for each solar energy system integrated with a pumped hydroelectric energy storage system; and

Thank you for your consideration.



Testimony of Inter-Island Solar Supply Regarding SB 1237 SD1, Relating to Taxation, Before the Senate Committee on Ways and Means

Thursday, March 4, 2021

Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee, my name is Brian Gold and I am the President of Inter-Island Solar Supply (IISS). IISS was incorporated in 1975 and is Hawaii’s oldest & largest supplier of renewable energy equipment. We operate from 5 branch locations in Hawaii and employ over 70 local residents.

IISS respectfully **OPPOSES SB1237 SD1**, which cuts the renewable energy tax credit dollar cap by 50%.

Hawaii’s renewable energy industry is a locally grown success story and we’ve been a main pillar of Hawaii’s economy throughout the COVID pandemic. We employ thousands of workers in diverse, well paying jobs. Our products reduce electric bills for all ratepayers, not just those who install renewable energy systems on their homes. Further, we account for the vast majority of the State’s progress towards the 100% RPS goal to date and all energy stakeholders agree that our industry needs tools to increase speed of renewable deployment. This measure would do exactly the opposite.

As an equipment wholesaler, IISS has a unique perspective on the impact of structural change to the marketplace. The numerous policy impacts over the years – federal tax credit change, interconnection program changes, permitting rule changes, etc. – each pair with a significant implementation gap in the market. This gap represents the time it takes for consumers, installers, engineers, financiers, wholesalers, and manufacturers to digest change, understand implications, and re-broadcast the advantages of renewable energy within this new framework. Most importantly, considering the State’s current efforts towards economic recovery, each of these implementation gaps result in significant job loss and local investment loss.

If the legislature intends to modify an investment that has been proven by multiple studies to provide an over 100% return into the local economy, we propose taking this step as part of a broader clean energy plan. We welcome a discussion about the future of Hawaii’s renewable energy tax credit and recommend that this Committee direct DBEDT to conduct a study on how Hawaii can best balance the tax credit, our 100% RPS goal, and the broad policy goals of economic development, job creation, consumer cost savings, and ratepayer equity.

Mahalo for the opportunity to submit these comments.



LATE

Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Thursday, March 4, 2021 — 10:00 a.m.

Ulupono Initiative offers comments on SB 1237 SD 1, Relating to Taxation.

Dear Chair Dela Cruz and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono offers comments on SB 1237 SD 1, which reduces the cap amounts of the Renewable Energy Technologies Income Tax Credit (RETITC) by half for each eligible renewable energy technology system defined by Section 235-12.5.

Ulupono recognizes that the legislature is facing many difficult decisions this year to balance the budget as a result of the economic crisis created by COVID-19. It is also fair to acknowledge the significant progress that distributed energy resources (DER), specifically rooftop solar, has made in Hawai'i since 2014. For reference, Ulupono stands by our previous comments submitted on SB 1237 SD 1 on February 4, 2021.¹ However, Ulupono would appreciate the Committee's consideration of the following additional recommendations.

In its current form, SB 1237 SD 1 reduces the tax credit available for residential projects. While Ulupono understands the intent of SB 1237 SD 1, the Committee should consider how certain provisions within SB 1237 SD 1 may affect the success of other active renewable energy programs, such as the Community-Based Renewable Energy (CBRE) program, established in response to Act 100 (2015).²

The intent of the CBRE program is to create opportunities for customers who are unable to invest in onsite renewable energy generation to participate in Hawai'i's energy transition.

¹Ulupono submitted comment on SB 1237 on February 4, 2021 recommending: (1) SB 1237 take effect at a future date, no earlier than July 1, 2021, (2) consideration of the economic benefits provided by the clean energy sector and its potential to assist in rebuilding Hawai'i's economy, and (3) a phase out of the RETITC once new, longer-term DER programs are approved by the Hawai'i Public Utilities Commission.

²Act 100 is now codified as HRS Section 269-27.4.

This includes, but is not limited to, residential and business renters, occupants of residential and commercial buildings with shaded or improperly oriented roofs, and other groups who are unable to access the benefits of onsite clean energy generation.³

In April 2020, the Hawai'i Public Utilities Commission initiated Phase 2 of the CBRE program, earmarking 235 megawatts (MW) of capacity for the program. As established by Phase 2, it is possible for interested developers and/or subscriber organizations to bid projects that vary in size.⁴ Relatedly, the legislature should be aware that since program implementation, only one CBRE project, a 270kW solar facility in the Mililani Tech park area, has been approved in the state, underscoring the available opportunity for additional CBRE projects.⁵

If SB 1237 SD 1 is passed as is, there is a risk that the legislature may inadvertently restrict a large portion of residents who do not have the opportunity to invest in onsite renewable resources from doing so. Therefore, Ulupono recommends that SB 1237 SD 1 be revised to exempt eligible community solar projects from the proposed cap amounts.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

³See Act 100 (2015) at 250.

⁴See Docket 2015-0389, Order 37070 – Commencing Phase 2 of the Community-Based Renewable Energy Program at 25 and 28. The Commission has reserved 30 MWs of program capacity for CBRE projects smaller than 250 kW. To streamline the review process, projects that are sized between 250 kW and 5 MW, inclusive on Oahu and between 250 kW and 2.5 MW, inclusive, on Maui and Hawai'i Island can proceed without further regulatory review after selection by [Hawaiian Electric]. Projects that exceed these capacity thresholds will undergo a review process similar to [the solicitations in Docket No. 2017-0352].

⁵See ['First Community Solar Project in Hawai'i gets Go-ahead'](#), Hawaiian Electric, September 16, 2019.

SB-1237-SD-1

Submitted on: 3/2/2021 2:23:11 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff	Individual	Oppose	No

Comments:

Aloha Senators,

I am writing to you today to express my **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID-19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

Mahalo for taking the time to read this message,

SB-1237-SD-1

Submitted on: 3/2/2021 2:36:06 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Roy Skaggs	Individual	Oppose	No

Comments:

Aloha Senators,

I am writing to you today to express my strong **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID-19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

Mahalo for taking the time to read this message!
Roy Skaggs

SB-1237-SD-1

Submitted on: 3/2/2021 2:37:55 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melissa McGeorge	Individual	Oppose	No

Comments:

- SB1237 SD1 halves the dollar value cap for all solar projects beginning in January 2022. Customers who are planning to install systems after this year will be negatively impacted as will the overall industry.
- HECO's own models demonstrate that every rooftop is needed to reach Hawaii's 100% renewable goal. This bill challenges Hawaii's clean energy future and continues our reliance on dirty fossil fuels.
- The average residential bill in Hawaii has dropped by 20% because of rooftop solar and energy efficiency. This is an incredible Hawaii-grown success story. Arbitrarily lowering the tax credit now assures further hardship on those who need rate relief the most.
- The solar industry has been a main driver keeping Hawaii's economy going throughout the COVID pandemic. We employ thousands of local workers in diverse, good paying jobs. Over 70% of the solar industry is locally owned and operated - passing this bill would be devastating to the economic engine keeping Hawaii's economy afloat.
- Multiple studies have shown that the solar tax credit is a net positive investment. For every credit dollar issued the State gets back 2 - 3 times its investment. Rather than pull back, the State should show alignment with Federal policy to further invest in combating climate change and stimulate the economy through proven investments.

SB-1237-SD-1

Submitted on: 3/2/2021 2:54:11 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Maricel Calderon	Individual	Oppose	No

Comments:

Aloha Senators,

I am writing to you today to express my **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID-19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

Mahalo for taking the time to read this message,

SB-1237-SD-1

Submitted on: 3/2/2021 3:25:37 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Thompson	Individual	Oppose	No

Comments:

Aloha Senators,

I am writing to you today to express my **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID-19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

Mahalo for taking the time to read this message,

David Thompson

SB-1237-SD-1

Submitted on: 3/2/2021 4:17:57 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John Grandinetti	Individual	Oppose	No

Comments:

Honorable Legislators, Hawaii must continue to demonstrate a commitment to reduction of all emissions, which are responsible for accelerating global climate change. SB1237 fails to support incentivising homeowners purchases of solar energy systems, which will directly translate into less conversions. Many families are financially strapped by the current pandemic fallout, so will be less inclined to invest in solar. Please defer this bill in order to show continued governmental support for the solar transition in Hawaii

SB-1237-SD-1

Submitted on: 3/2/2021 8:56:44 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Faith Texeira	Individual	Oppose	No

Comments:

Aloha,

I am writing to you today to express my **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and fossil fuels.

Mahalo for your consideration,

Faith Texeira

SB-1237-SD-1

Submitted on: 3/2/2021 9:42:28 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Douglas Perrine	Individual	Support	No

Comments:

I support SB1237

SB-1237-SD-1

Submitted on: 3/2/2021 10:54:05 PM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jenn Miguel	Testifying for PV TECH	Oppose	No

Comments:

Aloha Hawaii Senators,

I am writing to you today to express my **opposition to SB1237 SD1** and am asking that you **defer this bill**.

As written, SB1237 cuts the solar tax credit dollar cap in half for all solar projects starting January 1st, 2022. That includes community solar projects, affordable housing projects, and everyday folks who are choosing to control their own energy costs right now and will have the burden to carry additional cost due to your decision to pass SB1237. It would cause more long-lasting harm with years for this industry to recoup and negatively affect Hawaii goals to be 100% renewable by 2045.

The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

Sincerely,

Jenn Miguel

PV TECH

SB-1237-SD-1

Submitted on: 3/3/2021 7:38:37 AM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Radford Nakamura	Individual	Oppose	No

Comments:

Aloha, I oppose SB 1237 due to the following points:

- SB1237 SD1 halves the dollar value cap for all solar projects beginning in January 2022. Customers who are planning to install systems after this year will be negatively impacted as will the overall industry.
- HECO's own models demonstrate that every rooftop is needed to reach Hawaii's 100% renewable goal. This bill challenges Hawaii's clean energy future and continues our reliance on dirty fossil fuels.
- The average residential bill in Hawaii has dropped by 20% because of rooftop solar and energy efficiency. This is an incredible Hawaii-grown success story. Arbitrarily lowering the tax credit now assures further hardship on those who need rate relief the most.
- The solar industry has been a main driver keeping Hawaii's economy going throughout the COVID pandemic. We employ thousands of local workers in diverse, good paying jobs. Over 70% of the solar industry is locally owned and operated - passing this bill would be devastating to the economic engine keeping Hawaii's economy afloat.
- Multiple studies have shown that the solar tax credit is a net positive investment. For every credit dollar issued the State gets back 2 - 3 times its investment. Rather than pull back, the State should show alignment with Federal policy to further invest in combating climate change and stimulate the economy through proven investments.

Mahalo

SB-1237-SD-1

Submitted on: 3/3/2021 10:17:10 AM

Testimony for WAM on 3/4/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Miles Yoshimoto	Individual	Oppose	No

Comments:

LATE

Aloha Senators,

I am writing to you today to express my **opposition to SB1237 SD1** and asking that you **defer this bill**.

As written, SB1237 SD1 cuts the solar tax credit dollar cap in half for all solar projects beginning on January 1st, 2022. The scope of this measure will include community solar projects, affordable housing projects, and other projects for residents and small businesses that have not yet been able to participate in, or directly benefit from, Hawaii's transition to clean, affordable, and renewable sources of energy. And the negative impacts on construction and investment would only deepen our current economic downturn, and hamstring one of Hawaii's leading job creating industries just when we need it most.

This approach is blunt force trauma to an economic engine at a time when we need to be stitching our economy back together with proven investments. The rooftop solar industry currently makes up over 50% of the State's progress towards its renewable energy goals. We employ thousands of local workers in diverse positions and pay them well. We sprung into action when COVID hit, deploying a comprehensive COVID-19 guidebook to keep our workers and customers safe allowing our essential services to stimulate the economy. Further, our projects drive bill reduction for all ratepayers – rooftop solar and energy efficiency like solar hot water have reduced all ratepayer electric bills by over 20% since 2012.

Hawaii has an opportunity to lead the fight against climate change. Short sighted bills like SB1237 move us in the opposite direction, make us less resilient, and more reliant on imported, expensive, and dirty fossil fuels.

Continuing to lead and working together to build a better Hawaii is what will pull us out of our current pandemic. **Please defer SB1237 SD1.**

Mahalo for taking the time to read this message,

Sincerely,

Miles Yoshimoto

Project Developer

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