

STAND. COM. REP. NO.

2097

Honolulu, Hawaii

FEB 07 2022

RE: S.B. No. 2511
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 2511 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the
renewable energy technologies income tax credit to include firm
renewable energy systems.

Your Committee received testimony in support of this measure
from Hawaiian Electric Company, Inc.; Hawaii Clean Power Alliance;
and one individual. Your Committee received testimony in
opposition of this measure from Life of the Land, Climate
Protectors Hawai'i, 350Hawaii.org, and one individual. Your
Committee received comments on this measure from the Department of
Taxation, Department of Budget and Finance, Hawaii State Energy
Office, Tax Foundation of Hawaii, and one individual.

Your Committee finds that increased energy efficiency and use
of renewable energy resources would increase Hawaii's energy self-
sufficiency, energy security, and resistance to increases in oil
prices, while achieving broad societal benefits, including
environmental sustainability, economic development, and job
creation. Your Committee recognizes that the Legislature has
provided incentives for intermittent sources of renewable energy,
such as solar and wind. According to testimony received by your



Committee, firm generation is imperative to operate the electric system and ensure grid reliability and resilience.

Accordingly, your Committee has amended this measure by:

- (1) Specifying:
 - (A) That \$750,000 is the cap amount of the tax credit for each firm renewable energy system;
 - (B) That firm renewable energy systems run on alternating current, instead of direct current;
 - (C) That a firm renewable energy system is a type of renewable energy technology system; and
 - (D) The definition of a firm renewable energy system;
- (2) Preventing a taxpayer from claiming additional tax credits on the costs used to claim the tax credit established in this measure;
- (3) Amending the applicability of the measure to taxable years after December 31, 2022; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2511, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2511, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,

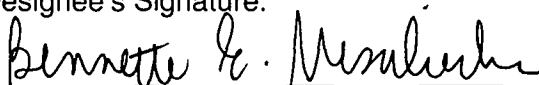


GLENN WAKAI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 2511	Committee Referral: EET, WAK	Date: 1/31/22		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris				✓
RIVIERE, Gil	✓			
FEVELLA, Kurt		✓		
TOTAL	3	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes