



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, March 23, 2023
9:30 AM
State Capitol, Conference Room 325 and Videoconference

In SUPPORT of
HCR 193 / HR 198

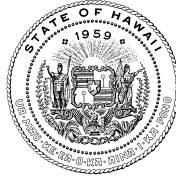
URGING THE GOVERNOR AND STATE DEPARTMENTS TO INVESTIGATE OPPORTUNITIES PROVIDED BY THE DIRECT PAY PROVISION IN THE INFLATION REDUCTION ACT THAT ALLOWS FOR DIRECT PAYMENT OF CLEAN ENERGY INCENTIVES TO STATE GOVERNMENT ENTITIES FOR THE COST OF INSTALLING SOLAR ENERGY SYSTEMS IN STATE FACILITIES.

Chair Lowen, Vice Chair Cochran, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports HCR 193 / HR 198, both of which request state departments to investigate opportunities provided by the direct pay provision in the Inflation Reduction Act (IRA). The IRA greatly enhances the existing tax credits for both the Production Tax Credit (PTC) and the Investment Tax Credits (ITC) under IRS Code Sections 45 and 48, respectively.

Government agencies spent approximately \$173M on electricity in FY22. The ability to monetize the tax credit and receive direct payment from the Treasury for up to 30% of the cost of energy systems will greatly assist and incentivize energy efficiency and renewable energy projects as government agencies formulate plans to reduce utility bills and the impact to taxpayers.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

MARCH 23, 2023, 9:30 AM
CONFERENCE ROOM 325 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.C.R.193 / H.R.198

URGING THE GOVERNOR AND STATE DEPARTMENTS TO INVESTIGATE OPPORTUNITIES PROVIDED BY THE DIRECT PAY PROVISION IN THE INFLATION REDUCTION ACT THAT ALLOWS FOR DIRECT PAYMENT OF CLEAN ENERGY INCENTIVES TO STATE GOVERNMENT ENTITIES FOR THE COST OF INSTALLING SOLAR ENERGY SYSTEMS IN STATE FACILITIES.

Chair Lowen, Vice Chair Cochran and Members of the Committee, thank you for the opportunity to testify on H.C.R. 193 / H.R. 198.

The Department of Accounting and General Services (DAGS) **supports** H.C.R. 193 and H.R. 198, which urges the Governor and state departments to investigate opportunities provided by the direct pay provision in the Inflation Reduction Act (IRA) that allows for direct payment of clean energy incentives to state government entities for the cost of installing solar energy systems in state facilities.

DAGS supports maximizing the opportunities provided by the IRA. The utilization of these opportunities will assist departments and agencies much more quickly toward energy efficiency and renewable energy projects to address the high and rising cost of electricity. In addition, DAGS supports and defers to the testimony submitted the subject matter experts on this matter – the Hawaii State Energy Office.

Thank you for this opportunity to testify in support of these resolutions.

HR-198

Submitted on: 3/22/2023 9:28:14 AM

Testimony for EEP on 3/23/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherry Pollack	350Hawaii	Support	Written Testimony Only

Comments:

350Hawaii supports this resolution urging investigation of opportunities provided by the direct pay provision in the Inflation Reduction Act (IRA) that allows for direct payment of clean energy incentives to state government entities for the cost of installing solar energy systems in state facilities.

With the passage of the IRA, the U.S.'s largest-ever investment in climate action, the U.S. now has the potential to reduce pollution levels, boost the wind and solar industries, create incentives for consumers to transition to clean energy, and create jobs in the clean energy economy. Unfortunately, the bill also contained some troubling giveaways to the fossil fuel industry, including requiring the U.S. Department of the Interior to lease 2 million acres in federal lands onshore and 60 million acres offshore each year for oil and gas development. These quotas must be met to allow federal leasing for onshore and offshore renewables development, respectively. Make no mistake. This massive federal oil and gas expansion is dangerously at odds with scientific reality.

As such, we must do our due diligence and work to ensure, to the extent possible, that the investments in the bill go to true climate solutions and the communities that need them. HCR193/HR198 is an effective way to help accomplish this.

350Hawaii strongly supports efforts such as installing solar energy systems on state facilities, as it would lower energy use, save money for the State and taxpayers, and reduce the State's contributions to carbon pollution. We agree that state government entities must aggressively maximize the use of federal funds to reduce the costs of installing renewable energy systems on state facilities and build institutional capacity to fully obtain, accept, utilize, and administer the funds available from the federal government to decarbonize the economy and ensure a just and resilient transition currently and in the future.

For these reasons, we urge you to pass this important resolution.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of The Hawaii Solar Energy Association (HSEA) Regarding HR198/HCR193, Urging the Governor and State Departments to Investigate Opportunities Provided by the Direct Pay Provision of the Inflation Reduction Act for State Facilities, Before the House Committee on Energy and Environmental Protection

Thursday, March 23, 2023

Aloha Chair Lowen, Vice Chair Cochran, and committee members:

The Hawaii Solar Energy Association (HSEA) **strongly supports HR198/HCR193**, which urges the Governor and State Departments to investigate opportunities to use the direct pay provision of the Inflation Reduction Act for State facilities and to build necessary institutional capacity to obtain, administer, disburse and invest available federal funds for the benefit of the people of Hawaii.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the State and leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse green economy jobs that innovate, design, and build our path to a renewable energy future. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy. These investments provide resilient power that reduces energy burden for all and contributes to energy security and reliability as we decarbonize our economy and electric grid.

The Inflation Reduction Act offers an unprecedented opportunity for states, municipalities, private businesses, and individuals to use the power of the federal purse to accelerate clean energy deployment and climate change mitigation. The direct pay provision in particular allows states to monetize federal tax credits that would not otherwise be available for public installations of renewable energy, energy storage, and other qualifying investments in resilient infrastructure. In order to utilize these funds, the State must prepare and invest now in the necessary institutional capacity or we risk missing out on this historic opportunity. HSEA and its members stand ready to work with State and other stakeholders in these efforts.

HSEA **strongly supports the sentiments conveyed in HR198/HCR193** and urges the Legislature to adopt it.



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Thank you for the opportunity to testify.

Respectfully,

/s/ Rocky Mould

Rocky Mould
Executive Director