

HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
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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.



HAWAII GREEN INFRASTRUCTURE AUTHORITY

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

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**Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority**
before the
House Committee on Energy & Environmental Protection
March 23, 2023, 9:30 AM
State Capitol, Conference Room 325
in consideration of
House Concurrent Resolution 193
**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 Energy & Environmental Protection Committee:

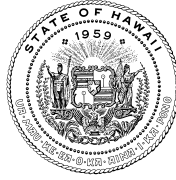
Thank you for the opportunity to testify and provide comments on House Concurrent Resolution 193. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this resolution which urges the Governor and state departments to investigate opportunities and options to maximize its return, in both energy savings and a refundable tax credit to state owned solar + battery systems.

HGIA, Hawai'i's Green Bank, works to advance the State's goals of a 100% renewable portfolio standard in energy production by leveraging innovative financing mechanisms to democratize clean energy by making financing more affordable and accessible to ratepayers previously locked out of solar.

The Inflation Reduction Act's comprehensive package of clean energy funding and incentives are unprecedented. The Direct Pay provision, which is similar to Hawaii's refundable solar tax credit (without a discount on the tax credit amount), coupled with low-cost, flexible financing, provides the state an opportunity to obtain additional federal funds, while lowering its energy cost. As an example, leveraging HGIA's low-cost financing for government-owned buildings located in rural communities to install a \$500,000 rooftop solar system generating 170,700 kWh year one, is estimated to provide \$150,000 in direct pay incentives from the Federal government plus \$1.0 million in electric utility bill savings (net of loan repayments) for an **aggregate benefit of \$1.15 million** to the State over the life of the system.

Thank you for this opportunity to testify and provide comments in support of HCR193.

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 HAWAII | KA MOKU'ĀINA O HAWAII'
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.

Josh Green
GOVERNOR OF HAWAII



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawaii DP
Director, Kauai DP
The Adjutant General
Manager, CZM

Testimony of
Leah Laramée
Coordinator, Hawai'i Climate Change Mitigation and Adaptation Commission

Before the Senate Committees on
Energy & Environmental Protection

Thursday, March 23, 2023
9:30 AM

State Capitol, Via Videoconference, Conference Room 325

In support of
House Concurrent Resolution 193

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.

House Concurrent Resolution 193 urges 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. **The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.**

The Hawai'i Climate Change Mitigation and Adaptation Commission consists of a multi-jurisdictional effort between 20 different departments, committees, and counties. Electrification of our homes and transportation sector is a key component of becoming climate ready. Being prepared to accept and deploy direct pay funding for energy systems on state facilities will support the state's ability to receive more federal funding. Increasing capacity and having dedicated personnel to assist in these efforts is important for the state to achieve climate readiness goals.

Mahalo for the opportunity to testify in support of this measure.

HCR-193

Submitted on: 3/22/2023 9:27:34 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.



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

March 23, 2023, 9:30 AM

Room 325

TESTIMONY IN SUPPORT OF HCR 193

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

Blue Planet Foundation **supports HCR 193**, which urges the Governor and State Departments to investigate opportunities in the Inflation Reduction Act (IRA) to allow direct payments of clean energy incentives for the cost of installing solar at state facilities. This resolution can help Hawai'i take advantage of the unprecedented opportunity presented by the IRA to bring needed funding to Hawai'i to support our transition to 100% renewable energy.

The State of Hawai'i has committed to a decisive transition away from fossil fuels. The legislature has passed aggressive carbon reduction goals, including a mandate to achieve 100% renewable electricity by 2045 (Act 97 of 2015), and a goal to be carbon-negative by 2045 (Act 15 of 2018), with an interim goal to achieve a 50% reduction from 2005 levels by 2030 (Act 238 of 2022). Setting these bold targets is important, but alone it is insufficient.

While the state has made some strides with energy efficiency measures in state buildings, considerable opportunities remain to decarbonize these buildings with renewable energy. The facilities that the State of Hawai'i owns and/or manages comprise one of the largest electricity users in the state. This resolution supports state agencies to lead by example and serve as a model for residents and the private sector for our clean energy transformation.

Please pass HCR 193.

Thank you for the opportunity to provide testimony.