

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii
Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2511, S.D. 2, H.D. 1, entitled:
"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Expand the renewable energy technologies income tax credit to include firm renewable energy systems, with the credit capped at the lesser of a percentage of the actual cost or \$750,000 per system; and
- (2) Make the renewable energy technologies income tax credit unavailable for renewable energy technology systems installed and placed in service after December 31, 2045.

Your Committee received testimony in support of this measure from Hawaiian Electric Company, Par Hawaii, Hawaii Clean Power Alliance, and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Taxation, 350Hawaii.org, Our Revolution Hawaii, Recycle Hawaii and Clean the Pacific, and eight individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Hawaii State Energy Office, Hawaii Forest Stewards, Tax Foundation of Hawaii, Sustainable Energy Hawai'i, Climate Protectors Hawai'i, and two individuals.

Your Committee finds that the development of utility-scale renewable energy is critical to meeting the State's clean energy and carbon reduction goals. Since the development of firm renewable energy systems requires ample time and a significant outlay of investment and resources, a financial incentive would support the development of more firm renewable energy generation based on local resources and improve the State's energy diversity, reliability, and stability.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2511, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on
Consumer Protection & Commerce,

AARON LING JOHANSON, Chair