

**LATE**  
2-10-09  
3:45 pm



Room # 225      3:45 PM      February 10, 2009

**SB464                      RELATING TO TAXATION**

**Chair Gabbard, Vice-Chair English and Committee Members:**

My name is Jennifer Stites and I am the Green Development Manager for Dowling Company, Inc. ("DCI"). DCI is a Maui-based real estate development company that is committed to sustainable development. To guide this effort and determine our performance metrics, we have adopted the nationally recognized U.S. Green Building Council's ("USGBC") Leadership in Energy and Environmental Design ("LEED") rating system. We are especially proud and excited that DCI's first USGBC LEED certified project is our own office located in Wailuku, Maui. Our office was also the first USGBC LEED certified office on Maui.

DCI supports SB464 and the proposed amendments to the renewable energy technologies income tax credit.

Thank you for the opportunity to submit testimony.

# SUNPOWER

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**Senate Committee on Energy and Environment**  
**SB464 RELATING TO TAXATION**

**Chair Gabbard, Vice-Chair English and Committee Members:**

Introduction: My name is Riley Saito Senior Manager, Hawaii Projects for the SunPower Systems Corporation. Thank you in advance for accepting these few comments in support of **SB464**.

SunPower Systems Corporation ("SunPower") has been a member of the Hawaii Energy Policy Forum since it convened in 2003. SunPower is in the business of designing, manufacturing, and delivering the highest efficiency solar electric technology worldwide. One of our latest projects was the 1.2 megawatt La Ola solar farm on Lanai with Castle & Cooke Hawaii.

***SunPower strongly supports SB464 and the proposed amendments to the renewable energy technologies income tax credit.*** The current tax credit policy is financially restrictive to the point that the photovoltaic industry in the Hawaii has virtually come to a stand still in attracting out of state investors to participate in Hawaii PV projects.

In the past the Hawaii banks were willing to participate in PV tax lease arrangement. Due to a accounting/reporting change in booking of the tax credit the Hawaii banks became highly restrictive in participating in this type of financial structure. This occurred over a year ago long before the current credit crunch in the national/international arena.

This has resulted in close to 20 MW of sign contracts that could not be finance due to absence of a Hawaii financial partner willing to enter into the project financing arrangement. The DOTA alone accounts for 12+ MW which could have been installed, saving the State of Hawaii tens of millions of dollars over the life of the project. The projects would have reduced the importation of 600,000 barrels of oil and relate export of dollars to foreign entities. It has also resulted in major players in the PV industry to shutdown it's operations in Hawaii, waiting for something in Hawaii to change. The change is contained in the language of this bill.

There are out of state investors willing to finance PV installation in Hawaii covering over 75% of the funding need. Why Hawaii versus elsewhere. Our sunshine is great, our electricity prices are at a level which there financial model could provide a consistent return on investment and savings for the customer.

If we do nothing to change the financial modeling

We will send a message to investors that Hawaii is not able partner at a 24.5% level.

We will continue to export dollars out of state

We will continue to budget/fund excessive operating electricity expenses statewide.

We will continue to fund oil import versus purchasing books for our keiki.

Thus, SunPower supports SB464 and urges the committee to pass it out.

Mahalo for the opportunity to submit testimony.