

Honolulu, Hawaii

FEB 17 , 2012

RE: H.B. No. 2121  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2121 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to promote the government's use of renewable energy technologies by:

- (1) Prohibiting government agencies from contracting with private energy providers that claim the renewable energy technologies tax credit; and
- (2) Authorizing the issuance of general obligation bonds to purchase renewable energy systems for state facilities.

The Department of Education, the Office of the Mayor of the City and County of Honolulu, City and County of Honolulu Department of Design and Construction, the Mayor of the County of Maui, County of Hawaii Department of Research and Development, County of Hawaii Department of Water Supply, County of Kauai Office of Economic Development, University of Hawaii, Hawaii Renewable Energy Alliance, and Hawaii Solar Energy Association opposed this measure. The Department of Business, Economic Development, and Tourism; the Office of Hawaiian Affairs; and the Hawaii Community Development Authority provided comments on this measure.



Your Committee has amended this measure by:

- (1) Deleting the sum of the general obligation bonds that the director of finance is authorized to issue;
- (2) Changing the effective date to January 1, 2013;
- (3) Clarifying that the purpose of this measure is to ensure the cost effectiveness of renewable energy technology projects; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that despite negative testimony on this measure, it has value to the State. The State is currently investing 24.5 per cent on each of the projects that receive the renewable energy tax credit, which the testimony does not address. These projects may not be paying for themselves and may not ever produce a reasonable return on investment. Your Committee believes that by removing the state tax credit, the projects will be forced to stand on their own merits and with the existing federal tax credits.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2121, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



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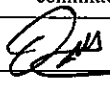
DENNY COFFMAN, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 592-12

**Record of Votes of the Committee on Energy & Environmental Protection**

Bill/Resolution No.: <b>HB 2121</b>	Committee Referral: <b>EEP, FIN</b>	Date: <b>Feb 16, 2012</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. COFFMAN, Denny (C)	/			
2. KAWAKAMI, Derek S.K. (VC)	/			
3. CABANILLA, Rida T.R.	/			
4. CARROLL, Mele				/
5. CHANG, Jerry L.	/			
6. HAR, Sharon E.				/
7. HERKES, Robert N.				/
8. ITO, Ken	/			
9. NAKASHIMA, Mark M.	/			
10. RIVIERE, Gil	/			
11. THIELEN, Cynthia				/
TOTAL (11)	7	Ø	Ø	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
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