

Honolulu, Hawaii

January 29, 2018

RE: H.B. No. 1864
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1864 entitled:

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

begs leave to report as follows:

The purpose of this measure is to expand the income tax credit for renewable energy technologies to include ocean thermal energy conversion systems constructed for the purpose of research and development by providing an income tax credit of 35 percent of the actual cost, up to \$1,500,000, for each such ocean thermal energy conversion system.

The Oahu County Committee on Legislative Priorities, Hawaii Automobile Dealers' Association, Sierra Club of Hawai'i, and several individuals supported this measure. The Department of Taxation, Tax Foundation of Hawaii, and Natural Energy Laboratory of Hawaii Authority provided comments.

Your Committee has amended this measure by:

- (1) Specifying that eligible ocean thermal energy conversion research and development systems must generate 100 kilowatts of electricity or more and be certified by the Hawaii State Energy Office;



- (2) Making the tax credit effective for taxable years that begin after December 31, 2018, to allow the Department of Taxation sufficient time to make the necessary changes to forms and the Department's computer system;
- (3) Changing its effective date to January 28, 2045, to encourage further discussion; and
- (4) Making a technical, nonsubstantive amendment for the purpose of clarity.

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. 1864, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1864, H.D. 1, and be referred to your Committee on Economic Development & Business.

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



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-ninth Legislature

HSCR 1-18

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1864	Committee Referral: EEP, EDB, FIN	Date: 01/25/18		
<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. LEE, Chris (C)	✓			
2. LOWEN, Nicole E. (VC)				✓
3. CULLEN, Ty J.K.	✓			
4. KONG, Sam Satoru	✓			
5. McKELVEY, Angus L.K.	✓			
6. TODD, Chris	✓			
7. YAMANE, Ryan I.	✓			
8. MCDERMOTT, Bob				✓
TOTAL (8)	6	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 150px;">committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				