



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of  
**MARK B. GLICK, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Thursday, March 28, 2024  
1:00 PM  
State Capitol, Conference Room 229 and Videoconference

Providing Comments on  
**SCR 171 / SR 147**

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,  
AND TOURISM TO PROPOSE LEGISLATION THAT ESTABLISHES TAX CREDITS  
FOR FIRM RENEWABLE ELECTRICITY GENERATION.**

Chair DeCoite, Vice Chair Wakai, and members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on SCR 171 and SR 147, requesting the Department of Business, Economic Development, and Tourism to propose legislation that establishes state tax credits for firm renewable electricity generation. Tax credits at the federal level already exist for utility scale renewable electricity generation.

As acknowledged by several "WHEREAS" clauses, the current Renewable Energy Technologies Income Tax Credit (HRS §[235-12.5](#)) and a [predecessor](#) Energy Conservation Income Tax Credit (HRS §[235-12](#)) have largely been utilized by residential and commercial solar systems over the years.

A revision was made to the tax credit in 2020, by [Act 61](#), to address two concerns: the unpredictable and potentially large impact that tax credits for utility scale systems could have on the State budget; and the uncertainty faced by project developers and utility contracts in the event that such tax credits would be discontinued ([bill page](#)). During this period, it became clear that several factors can contribute to, or lessen, the potential attractiveness and benefits of tax incentives. In addition to incentives, HSEO notes that direct utility investment may be a more cost-effective

method to achieve grid reliability, by selectively replacing the existing thermal electricity generation power plant fleet and investing in fuels that improve grid operability, performance and efficiency.

If the Committee is inclined to pass this resolution, HSEO recommends that, in order to allow a broader scope of measures to be included when identifying tax policies that could be effective and affordable means of incentivizing firm renewable electricity generation in Hawai'i, the request be modified to read as follows:

"...legislation that establishes [~~tax credits~~]  
incentives for firm renewable electricity  
generation."

Thank you for the opportunity to testify.