



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, April 3, 2025
10:00 AM
State Capitol, Conference Room 211 and Videoconference

Providing Comments on
HB 1369, HD1

RELATING TO TAXATION.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee, the Hawai'i State Energy Office (HSEO) respectfully offers comments on HB 1369, HD1, which repeals certain tax credits, deductions, and exemptions under the income tax, general excise tax, and use tax laws. Specifically, HSEO has concerns about the abrupt repeal of HRS §235-110.32, Renewable Fuels Production Tax Credit (RFPTC), Section 14, pages 45-56. HSEO greatly appreciates the House Committee on Finance's amendments to the measure, which removed provisions that repealed the Renewable Energy Technologies Tax Credit. However, HSEO remains concerned that amendments proposed may impact renewable fuels producers in the state, coupled with uncertainty around Federal support and economy-wide inflation concerns, the abrupt repeal of this tax credit adds to uncertainty. Accordingly, HSEO requests that the blanket repeal be removed.

Developers of renewable fuel projects plan and finance their projects based on cost analyses that assume receipt of the established tax credit when their projects are completed and begin producing fuel. While the last certificate for the RFPTC was issued in 2023 for the calendar year of 2022, renewable fuel production projects have long development timelines, with some projects actively in development. These projects have made substantial financial investments based on the expectation that the tax credit

would continue. Abruptly repealing the credit, without an adequate period of adjustment, directly impacts the financial viability of these projects and jeopardizes the developers' finances, potentially resulting in financial distress and/or project withdrawal. Accordingly, if repealed, pushing back the effective date of the repeal and adding grandfathering language is necessary to allow for these projects to move forward.

Pursuant to 2024 House Resolution 193, HD2 (**HR193, HD2 2024**) and Senate Resolution 82, SD1 (**SR82, SD1 2024**), HSEO is convening a renewable liquid fuels working group to evaluate local production, development, and incentives with stakeholders and renewable fuel producers to identify policy support options available for renewable fuels. The group consensus has been that tax incentives have proven to be an effective mechanism to achieve the goals of the state. Abruptly and completely repealing any tax credit would disrupt the businesses affected and the livelihoods of those employed by them.

Hawai'i's energy and decarbonization goals, which include the production of 100% renewable electricity by 2045¹ or sooner,² zero-emission transportation,³ and the reduction of greenhouse gas emissions to achieve the state's net negative clean economy target "as quickly as practicable but no later than 2045,"⁴ require a continuing rapid pace and the involvement of all renewable energy technologies and renewable fuel production projects.

HSEO is committed to the development of effective solutions for renewable liquid fuels that serve Hawai'i's economic, environmental, and community needs. HSEO is open to working with the Committee and continuing to work with fuel producers and other stakeholders to improve the tax credit in the future by making it more equitable and better aligned with Hawai'i's long-term clean energy goals.

If the Legislature proceeds with the blanket repeal of the RFPTC, HSEO recommends reviewing potential projects and businesses with projects actively in

¹ Hawaii Revised Statutes, §[269-92](#) Renewable portfolio standards.

² [Executive Order Number 25-01, Accelerating Hawai'i's Transition Toward 100 Percent Renewable Energy](#).

³ Hawaii Revised Statutes, §[225P-8](#) Zero emissions transportation.

⁴ Hawaii Revised Statutes, §[225P-5](#) Zero emissions clean economy target.

development that could be impacted by the blanket repeal. HSEO further suggests the effective date of the repeal be pushed back and grandfathering language considered.

Thank you for the opportunity to testify.