



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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

before the  
**HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY**

Wednesday, February 11, 2026  
8:30 AM  
State Capitol, Conference Room 423 and Videoconference

Providing Comments on  
**HB 1843**

**RELATING TO TAX CREDITS.**

Chair Ilagan, Vice Chair Hussey, and Members of the Committee, the Hawai'i State Energy Office (HSEO) is providing comments on HB 1843, which requires that income tax credits existing on December 31, 2026, include a sunset on December 31, 2030. Requires that income tax credits established or renewed after December 31, 2026 include a sunset 7 years after the date of enactment or renewal of the tax credit. The bill also provides exemptions for tax credits

HSEO appreciates the intent of this measure to promote periodic review and fiscal accountability of State tax credits. However, HSEO has concerns with the bill's blanket approach requiring all existing income tax credits to sunset on December 31, 2030, and imposing an automatic seven-year sunset on all credits established or renewed after December 31, 2026.

A uniform sunset requirement, applied without regard to the structure, purpose, or maturity of individual tax credits is arbitrary and risks creating uncertainty for long-term investments that are essential to achieving the State's clean energy and climate goals. Programs such as the Renewable Energy Income Tax Credit (REITC) as established under Hawai'i Revised Statutes (HRS) §235-12.5 and the Renewable Fuels Production Tax Credit (RFPTC) as established under HRS §235-110.32 are important

finance mechanisms critical to achieve Hawai'i's clean energy goals and are specifically designed to support capital-intensive projects with long development timelines, extended permitting processes, and multi-year financing horizons. Sunset dates, when arbitrary and misaligned, can undermine project finance, increase investment risk, and deter private capital, even where the underlying policy objectives remain valid.

HSEO asserts that the REITC plays a critical role in Hawai'i's economy by accelerating the deployment of renewable energy technologies across the residential, commercial, and utility-scale sectors. Abrupt or frequent sunset deadlines can create boom-and-bust cycles, disrupt local installation and construction workforces, and complicate coordination with parallel federal incentives and utility planning processes.

In the case of the RFPTC, investors and producers rely on predictable policy signals to justify investments in local renewable fuel production, which supports energy security, economic development, emissions reductions, and waste diversion. A mandatory sunset that is disconnected from market readiness, feedstock availability, or infrastructure development could prematurely constrain a nascent, growing industry before it reaches commercial viability.

HSEO believes a more methodical approach is necessary—one that evaluates tax credits based on performance, cost-effectiveness, administrative burden, and alignment with statutory energy and climate targets. Rather than imposing uniform sunsets, the Legislature could consider credit-specific reviews, data-driven evaluation metrics, and tailored modifications that reflect market conditions, cost constraints, and policy outcomes.

Such an approach would preserve legislative oversight and fiscal discipline while avoiding unintended consequences that could slow progress toward Hawai'i's clean energy transition. For these reasons, HSEO respectfully urges reconsideration of the bill's one-size-fits-all sunset framework in favor of a more targeted and strategic review process.

Thank you for the opportunity to testify.