



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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

before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Thursday, March 5, 2026  
12:00 PM  
State Capitol, Conference Room 211 and Videoconference

Providing Comments on  
**SB 3125, SD1**

**RELATING TO INCOME TAX.**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee, the Hawai'i State Energy Office (HSEO) is providing comments on SB 3125, SD1, Part II, which beginning January 1, 2029, repeals the following tax credits: Renewable Energy Technologies Tax Credit, Capital Goods Excise Tax Credit, High Technology Business Investment Tax Credit, Renewable Fuels Production Tax Credit, Technology Infrastructure Renovation Tax Credit, Ship Repair Industry Tax Credit, and Tax Credit for Research Activities.

HSEO takes no position on Part I of the bill, which reflects the original language of SB 3125. However, HSEO has concerns with Part II's broad, blanket repeal of several tax credits, including incentives that support renewable energy deployment, clean fuel production, and innovation. These incentives have played an important role in supporting investment in renewable energy systems, advancing local energy industries, reducing energy costs, and helping the State progress toward its statutory clean energy goals.

The blanket repeal 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. Blanket repeal can undermine project finance, increase investment risk, and deter private capital, even where the underlying policy objectives remain valid.

The REITC plays a critical role in accelerating the deployment of renewable energy technologies across the residential, commercial, and utility-scale sectors. Abrupt repeal of this incentive could create boom-and-bust cycles, disrupt local installation and construction workforces, and complicate coordination with federal incentives and utility planning processes. Furthermore, with the rollback or repeal of certain federal incentives, now is not the time to eliminate complementary state policies that help maintain investment certainty and project viability. The continued development of renewable energy technologies remains one of the most effective mechanisms available to reduce Hawai'i's reliance on imported, highly volatile liquid fossil fuels. Expanding renewable energy deployment helps stabilize electricity costs over time, insulate consumers from global fuel price volatility, and ultimately lower energy costs for households and businesses across the State.

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, emissions reductions, and waste diversion. A mandatory sunset that is disconnected from market readiness, feedstock availability, or infrastructure development could prematurely constrain a nascent 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 a blanket repeal, 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 Part II's blanket repeal in favor of a more targeted and strategic review process.

Thank you for the opportunity to testify.