

SB 1051



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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
SENATE COMMITTEE ON TRANSPORTATION
AND
SENATE COMMITTEE ON GOVERNMENT OPERATIONS
Tuesday, February 10, 2015
1:15 p.m.
State Capitol, Conference Room 414

in consideration of
SB 1051
RELATING TO FUEL CELL ELECTRIC VEHICLES.

Chairs Gabbard, Nishihara, and Dela Cruz; Vice Chairs Green, Harimoto, and Nishihara;
and Members of the Committees.

The Department of Business, Economic Development & Tourism (DBEDT) offers comments regarding SB 1051, Relating to Fuel Cell Electric Vehicles. DBEDT supports the intent of the bill, however prefers language in HB 392, which would expand the definition of an electric vehicle (EV) to include “fuel cell electric vehicle” and offer the same exemptions from HOV lane restrictions and the payment of state and county parking fees that are granted to EVs. Fuel cell EVs convert hydrogen and oxygen gas into electricity to charge their onboard batteries and power the vehicle. Further, fuel cell EVs would help to reduce gasoline consumption and assist in our efforts in achieving Hawaii’s clean energy goals. While passenger vehicles are not yet commercially available in Hawaii, it is in our State’s interest to encourage their sale by offering the same exemptions.

Thank you for the opportunity to offer these comments regarding SB 1051.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, HI Inst. for Public Affairs
Joseph Boivin, Hawai'i Gas
Warren Bollmeier, HI Renewable Energy Alliance
Albert Chee, Chevron
Elizabeth Cole, The Kohala Center
Leslie Cole-Brooks, HI Solar Energy Assn
Kyle Datta, Ulupono Initiative
Mitch Ewan, UH HI Natural Energy Institute
Jay Fidell, ThinkTech HI, Inc.
Carl Freedman, Haiku Design & Analysis
Sen. Mike Gabbard, HI State Senate
Dan Giovanni, Hawaiian Electric Company
Mark Glick, State Energy Office, DBEDT
Justin Gruenstein, City & Co. of Honolulu
Dale Hahn, Ofc of US Sen Brian Schatz
Michael Hamnett, Research Corp. of the UH
Rachel James, Ofc of US Rep. Tulsi Gabbard
Jim Kelly, Kaua'i Island Utility Cooperative
Darren Kimura, Energy Industries
Kelly King, Sustainable Biodiesel Alliance
Rep Chris Lee, HI House of Representatives
Gladys Marrone, Building Industry Assn of HI
Doug McLeod, Maui County
Stephen Meder, UH Facilities and Planning
Lauren Montez-Hernandez, Ofc of Sen Mazie Hirono
Sharon Moriwiki, UH So. Sci. Public Policy Ctr
Ron Nelson, U.S. Defense Energy Support Center
Tim O'Connell, U.S. Dept of Agriculture
Jeffrey Ono, Division of Consumer Advocacy, DCCA
Darren Pai, Hawaiian Electric Company
Melissa Pavlicek, Hawaii Public Policy Advocates
Randy Perreira, HI Government Employees Assn
Rick Rocheleau, UH HI Natural Energy Institute
Will Rolston, Hawai'i County
Riley Saito, SunPower Systems Corp
Joelle Simonpietri, U.S. Pacific Com. Energy Ofc
H. Ray Starling, Hawaii Energy
Ben Sullivan, Kaua'i County
Lance Tanaka, Hawaii Independent Energy
Maria Tome, Public Utilities Commission
Ah Linn Yamane, HI Government Employees Assn

Testimony of Mitch Ewan
Chair, Transportation Working Group
Hawaii Energy Policy Forum

Before the
Senate Committees on Energy & Environment, Transportation, and Government Operations

Tuesday, February 10, 2015 at 1:15pm in Conference Room 414

IN SUPPORT OF SB 1051 Relating to Fuel Cell Electric Vehicles

I am Mitch Ewan, Chair of the Transportation Working Group of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of 46 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves as a guide to move Hawaii toward its preferred energy goals and our support for this bill.

SB1051 clarifies that fuel cell powered vehicles are "electric vehicles" by amending: (1) Section 103D-412, HRS, to define a fuel cell electric vehicle as a *zero-emission electric vehicle* that uses a fuel cell to convert hydrogen gas and oxygen into electricity to charge the vehicle; and (2) Section 291-71, HRS, to add "fuel cell electric vehicle" under the definition of electric vehicle.

The Forum supports this measure that would provide fuel cell electric vehicles with the same "market pull" incentives as those enjoyed by other battery sources to power electric vehicles, i.e., parking fee exemptions and HOV lane use. It also directs all state and county agencies, when purchasing new vehicles, to consider fuel cell electric vehicles.

The Forum supports SB1051, and respectfully urges passage of the bill.

Thank you for the opportunity to testify.

This testimony reflects the position of the Forum as a whole and not necessarily of individual Forum members or their organizations.



**SENATE COMMITTEES ON ENERGY AND ENVIRONMENT, TRANSPORTATION, AND
GOVERNMENTAL OPERATIONS**

February 10, 2015, 1:15 P.M., Room 414
(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 1051

Aloha Chairs Gabbard, Nishihara, and Dela Cruz and members of the Committees:

Blue Planet Foundation supports SB 1051, which add fuel cell electric vehicles which convert hydrogen gas and oxygen into electricity to charge batteries and/or directly power motors to the priority list of vehicle types that all state and county entities must use when purchasing new vehicles.

This bill would help empowering the state to become an innovative leader in the use of hydrogen fuel cell vehicles. Along with battery electric vehicles, hydrogen fuel cell vehicles can use fuel generated from local clean energy. Unlike fossil fuel vehicles, they create no dangerous emissions.

Although we do not propose amendments at this time, we caution that state hydrogen vehicle policy should ensure that the hydrogen is obtained from clean energy resources (such as local curtailed power) and not from fossil fuels.

Thank you for this opportunity to testify.



Bill van den Hurk, President
Dave Rolf, Executive Director

HADA testimony in SUPPORT of
SB1051
RELATING TO ENERGY

Presented to the Senate Committee on Energy and Environment, the Senate Committee on Transportation, and the Senate Committee on Government Operations
at the public hearing to be held
1:10 p.m. Tuesday, February 10, 2015
in Conference Room 414, Hawaii State Capitol

by the Members of the Hawaii Automobile Dealers Association
Hawaii's franchised new car dealers

Chairs Gabbard, Nishihara, and Dela Cruz, Vice Chairs, and Members of the Committee:

I am David Rolf, representing the members of the Hawaii Automobile Dealers Association, Hawaii's franchised new car dealers, who have remained strong in their support of the transition to renewable energy for use in vehicles in Hawaii. The association supports the measured and considered transition to renewable fuels proposed in Senate Bill 1051.

This bill is one of the key Hawaii "Signal Bills" with regard to the successful adoption of hydrogen fuel cell vehicles in public and private transportation.

The bill Includes fuel cell electric vehicles in the definition of electric vehicles for the purposes of parking exemptions, HOV lane use, registration, and required parking spaces in places of public accommodation and it grants procurement priority for fuel cell electric vehicles for state and county vehicle purchases.

The hydrogen fuel cell electric vehicle is an electric vehicle that uses a fuel cell to convert hydrogen gas and oxygen into electricity to charge onboard batteries and power one or more onboard electric motors to propel the vehicle.

Such vehicles, because they are zero emission vehicles (ZEVs), can help Hawaii fulfill the goals of the Hawaii Clean Energy Initiative in the ground transportation sector—which are to reduce fossil fuel use by 40% through use of renewable fuels and 30% by efficiencies by 2030.

There's a biblical verse that says "to whom much is given, much is required."

Certainly, Hawaii has been given much in the form of clean energy resources for the production of renewable fuels.

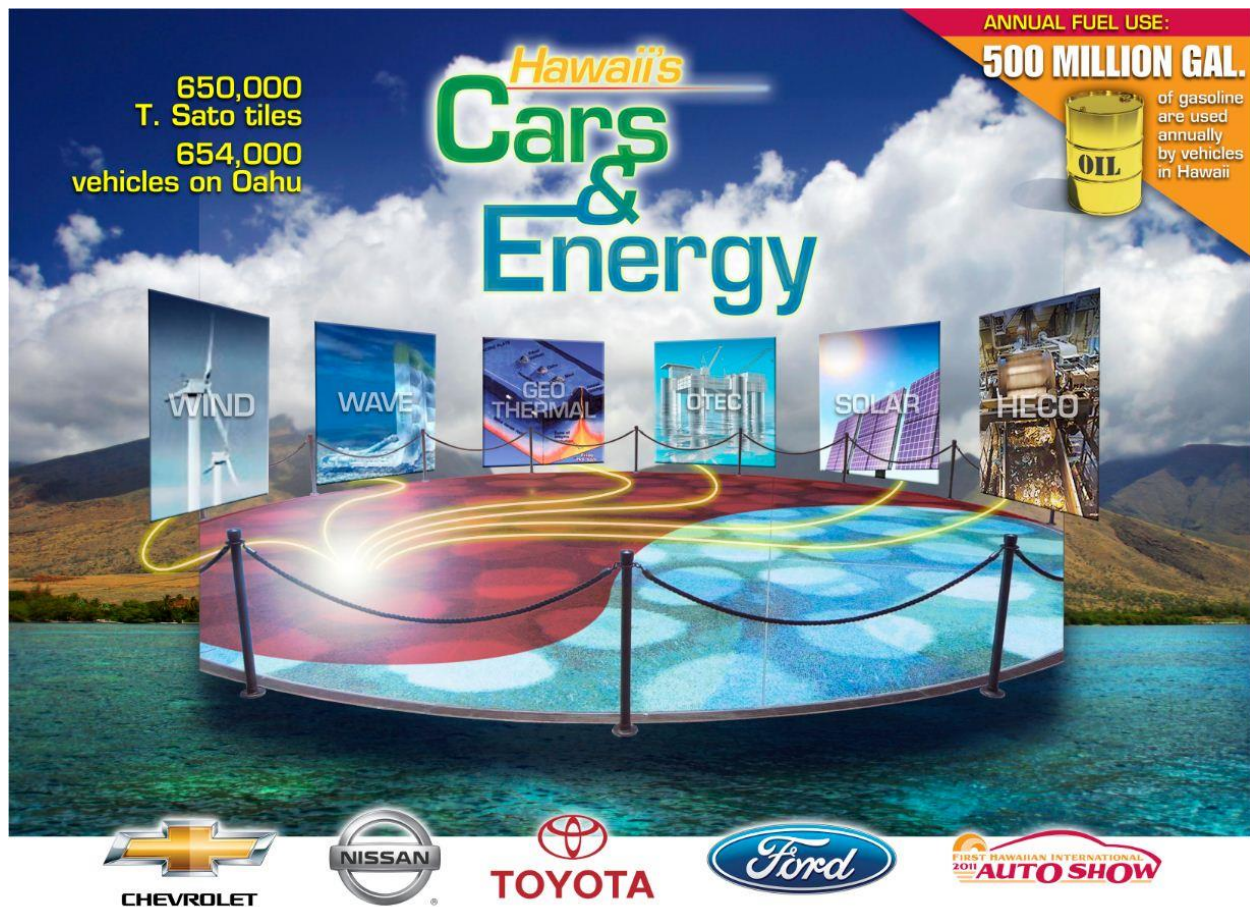
Hawaii, in fact, has been chosen by the U.S. Department of Energy for a focus on the development of hydrogen fuel cell electric vehicles. The State of California and an East Coast corridor around Boston are the two others areas in the country which have been chosen.

America understands two things for sure: 1) cars and 2) pizzas. In order to make a change in the form of energy used in America, you are advised to explain the change in terms of one or both.

There were nine different car commercials in the Super Bowl broadcast watched by 114 million Americans this past Sunday. It was the most-watched tv event in American history. One of those cars in the Super Bowl commercials was an electric car, by the way. Now, within the foreseeable future, we will likely see a commercial for a hydrogen fuel cell electric vehicle.

But it will be up to state, and local governments, auto dealers, private investors and the auto driving public in Hawaii to send a signal to the world's automobile manufacturers that Hawaii has prepared well for the transition to hydrogen.

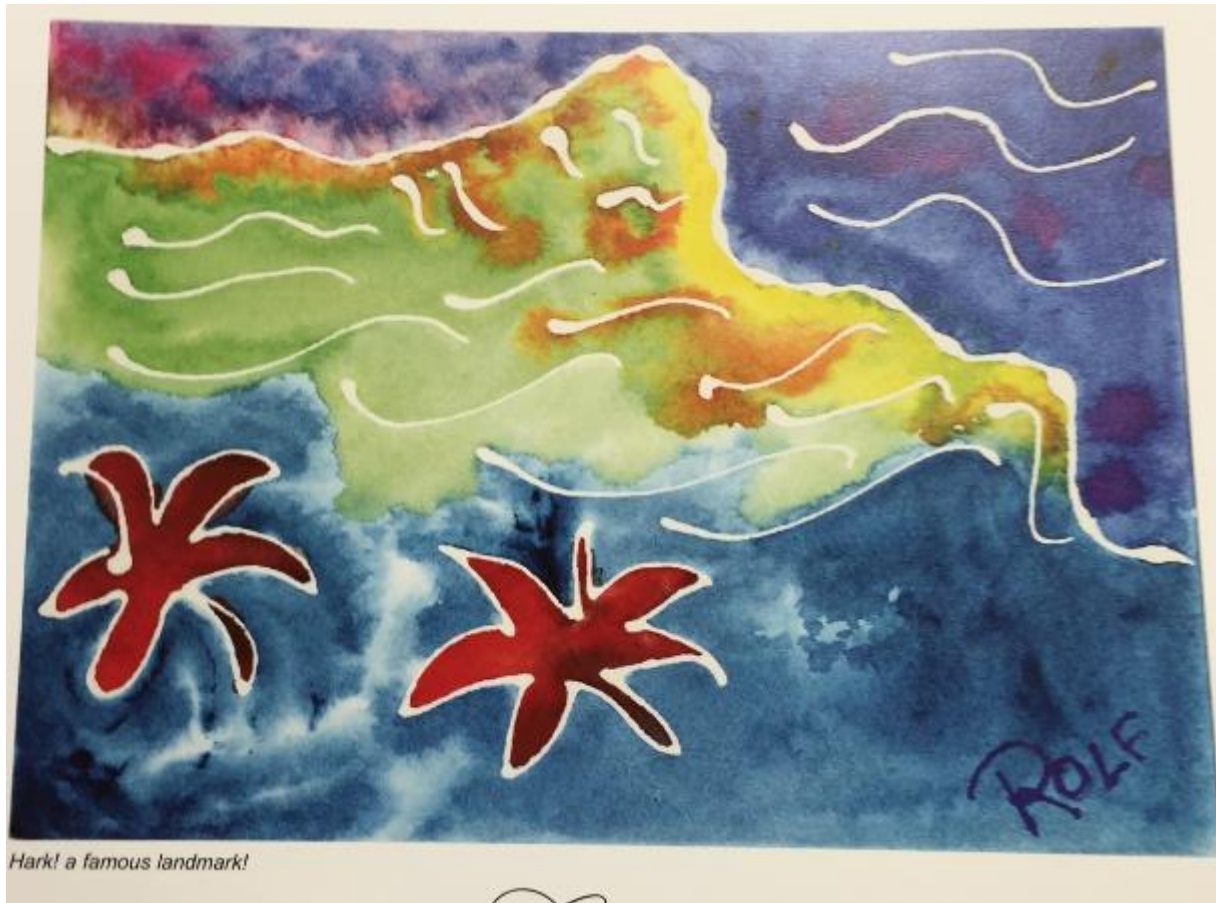
Our renewable energy resources are there for all to see. Here's the chart from the auto show:



Hawaii has abundant, some would even say, a “first in the world” level of resources for energy production from renewable sources-- wind, wave, sun, geothermal, ocean thermal, and even has significant capabilities for waste-to-energy production.

Once these resources are harnessed and used for productive purposes like propelling public and private transportation, then Hawaii’s 500-million-gallon annual consumption of gasoline—illustrated in the upper right hand corner of the graph—will, along with the reduction in consumption from efficiencies being produced for gasoline engines--reduce our Hawaii gasoline consumption by 70%, to 150 million gallons, the goal of the Hawaii Clean Energy Initiative.

Hawaii is iconic for its pristine environment. Beautiful Diamond Head is one of the most recognizable landmarks in the world. Just ask those in China or any place in the world.



We thus have a unique opportunity to show the world what has been produced by the people in Hawaii working together.

It is well known that president Obama has helped secure the World Conservation Congress event for Hawaii—to be held here, the first such event in America by the way, in the islands September 1-10, 2016. Some 8,000 to 10,000 people from around the world will attend.

NEWS STORY: The International Union for Conservation of Nature (IUCN) Council has selected Hawaii, United States of America, as the host of the 2016 IUCN World Conservation Congress – the world's largest conservation event.

We are working on the message Hawaii will have to tell these world leaders in conservation.

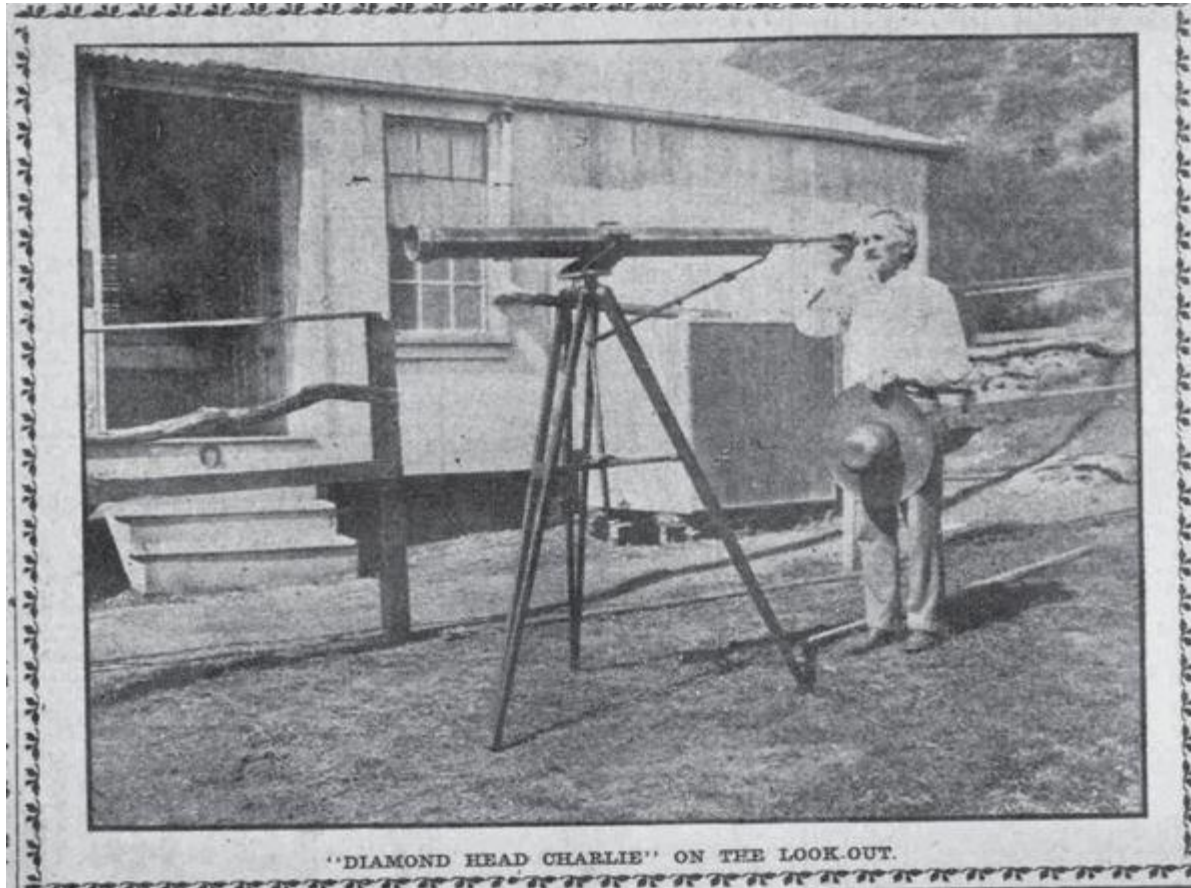
Two bills being heard today in the Senate Joint Committee on Energy and Environment, Transportation, and Government Operations will help form that message.

--SB1051 includes hydrogen fuel cell electric vehicles in the category of electric vehicles—which are exempted from paying certain parking fees at State or municipal parking facilities for

a specified period of time and are authorized to use the HOV lanes while having only one occupant in the vehicle. From the input we have received from electric vehicle purchasers these benefits of driving these renewable fuel vehicles play a large role in their decision to purchase such vehicles.

--SB 1052, proposes to provide funding for the State purchase of hydrogen fuel cell vehicles to replace or upgrade existing state fleet vehicles.

It is important to send a signal.



"Diamond Head Charlie" as John Charles "Charlie" Peterson was known, signaled approaching steam ships from his watch for arriving ships from Diamond Head from 1885 to 1907. The area he sent the message from was known as Telegraph Hill.

U.S. Department of Energy officials, who are considering encouraging a similar focus on hydrogen fuel cell electric vehicles for their GSA fleet in Hawaii say they have been looking "for a signal" from Hawaii officials that the State of Hawaii is making similar plans.

HADA will soon meet with City and County officials around the state to inquire about their plans for adopting use of some hydrogen fuel cell electric vehicles—in busses, shuttle busses, and even rubbish trucks.

For the hydrogen fueling stations which are needed, to be financially self-supporting, there must be a base of hydrogen users—initially from federal, state and local government fleets, as the private vehicle adoption rate gets underway.

We think these bills will send a signal.

Such “signal” bills, if passed, will send a signal from the State of Hawaii to:

- 1) GSA to move forward. With the 1.4 acre Ft. Armstrong hydrogen fueling station helping to facilitate the lease or purchase of HFCEVs for the GSA fleet in Honolulu
- 2) DAGS to move forward with their inventory of State vehicles and the move toward HFCEVs
- 3) County officials across the state and City and County officials here in Honolulu to adopt HFCEVs
- 4) Worldwide automakers to open up the Hawaii HFCEV market by providing help with infrastructure and providing vehicles
- 5) Those attending the Sept. 1-10, 2016 World Conservation Congress here in Hawaii—the largest conservation event in the world—that Hawaii is leading in the transition to renewable fuels.

So far, no “signals” have been sent from Hawaii legislative action. Last year all the hydrogen bills failed to pass. Last year, all the money from the barrel tax, which was renewed, was diverted to the General Fund, or other places, mainly funding cleanup projects, not funding hydrogen fueling stations or HFCEV vehicle acquisitions by State fleets.

We hope that you will pass both for further consideration and input from stakeholders.

Respectfully submitted,

David Rolf

For the Hawaii Automobile Dealers Association

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**Testimony of
Gary M. Slovin / Mihoko E. Ito
on behalf of
The Alliance of Automobile Manufacturers**

DATE: February 9, 2015

TO: Senator Mike Gabbard
Chair, Committee on Energy and Environment

Senator Clarence Nishihara
Chair, Committee on Transportation

Senator Donovan Dela Cruz
Chair, Committee on Government Operations

Submitted Via ENETestimony@capitol.hawaii.gov

RE: **S.B. 1051– Relating to Fuel Cell Electric Vehicles**
Hearing Date: Tuesday, February 10, 2015 at 1:15 p.m.
Conference Room: 414

Dear Chair Gabbard, Chair Nishihara, Chair Dela Cruz and Members of the Joint Committees:

On behalf of the Alliance of Automobile Manufacturers (“Alliance”) we submit these comments in general support of S.B. 1051. The Alliance is a trade association of twelve car and light truck manufacturers including BMW Group, Fiat Chrysler Automobiles, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of North America, and Volvo.

S. B. 1051 would include hydrogen fuel cell electric vehicles in the list of alternative fuel vehicles to be given preference in state purchasing. Auto manufacturers have expended literally billions of dollars in developing alternative fuel vehicles, including electric vehicles, bio fueled vehicles, and hydrogen fueled vehicles. It may well be that motor

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vehicles will ultimately be fueled in the future by a variety of alternative fuels. The government is a key player in assisting in the adoption by the public of alternative fueled vehicles. This bill is a positive step in assisting in this effort.

Thank you for the opportunity to submit testimony on this bill.