

CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO

# STATE OF HAWAII DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
CURT T. OTAGURO
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON ENERGY AND ENVIROMENTAL PROTECTION

JANUARY 23, 2020, 9:00 A.M. CONFERENCE ROOM 325, STATE CAPITOL

### H.B. 1052 RELATING TO ELECTRIC VEHICLES

Chair Lowen, Vice Chair Wildberger and members of the Committee, thank you for the opportunity to testify on H.B. 1052.

The Department of Accounting and General Services (DAGS) offers comments on H.B. 1052 which clarifies provisions on electric vehicle (EV) parking.

Act 168 Session Laws of Hawaii 2012 exempts EVs for certain parking fees collected by State and County agencies. This law was enacted to encourage the adoption of the purchase of electric vehicles. Studies show consumers would purchase EVs as pricing and driving range improves. We feel the law has served its intended purpose.

Please note the current law allows EVs to move from metered stall to another metered stall in the same parking lot to avoid parking fees. This is abuse of parking privilege that EV owners are taking advantage of in all areas. This abuse takes away valuable public parking stall from legitimate users who need to do business in the area when personal EVs are parked in the area for the whole day.

DAGS agrees with the proposed 4-hour limitation of parking stall use for nonmetered parking and adding provisional restriction language of "The electric car is limited to the initial 4 hours free parking regardless of whether the electric car is parked in a single stall or in successive stalls in the same lot". DAGS also suggest adding a time limit of 2.0 hours maximum use per day parking limitation in any state or county meter. This 2.0-hour daily restriction applies regardless whether electric car is parked in single metered stall or in successive metered stalls. The restrictions in both non-metered and metered parking would address the abuse now occurring in parking lots state wide. Also note that free EV parking accounts for \$20,000.00 to \$30,000.00 of lost meter revenue per month for the DAGS parking program.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE GOVERNOR

SCOTT J.GLENN CHIEF F ENERGY OFFICER

(808) 587-3807

# Testimony of SCOTT J. GLENN, Chief Energy Officer

## before the HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, January 23, 2020 9:00 AM State Capitol, Conference Room #325

In consideration of HB 1052 RELATING TO ELECTRIC VEHICLES

Chair Nicole E. Lowen, Vice Chair Tina Wildberger, and members of the Committee. HB 1052 proposes to reduce the period that an electric vehicle shall be exempt from payment of parking fees for non-metered parking stalls, from twenty four hours to a period no longer than the initial four hours of use of the parking stall.

The HSEO appreciates the intent of the legislation and recognizes that the electric vehicle parking incentive is currently set to sunset on June 30, 2020. As the legislative session begins, the HSEO anticipates numerous proposals and discussions around the promotion of electric vehicles and how to ensure effective policy, including any adjustments to existing incentives to allow for a smooth transition.

Hawaii is currently at roughly one percent penetration of electric vehicles for registered passenger vehicles. For Hawaii to meet its target to sequester more greenhouse gases than we emit as soon as practicable but no later than 2045, sustainable incentives considering the potential fiscal and logistical impacts are important. We look forward to working with the Legislature, agencies, and stakeholders to support increased adoption of electric vehicles.

Thank you for the opportunity to testify.



### **TESTIMONY BY:**

JADE T. BUTAY DIRECTOR

Deputy Directors LYNN A.S. ARAKI-REGAN DEREK J. CHOW ROSS M. HIGASHI EDWIN H. SNIFFEN

# STATE OF HAWAII DEPARTMENT OF TRANSPORTATION

869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

January 23, 2020 9:00 a.m. State Capitol, Room 325

### H.B. 1052 RELATING TO ELECTRIC VEHICLES.

House Committee on Energy and Environmental Protection

The Department of Transportation (DOT) **supports this bill with an amendment** to exempt Daniel K. Inouye International Airport (HNL).

The DOT appreciates hearing its bill which addresses parking abuses at State and County parking facilities by limiting the duration an electric vehicle occupies a public parking facility.

The parking garages at HNL have reached capacity, especially around holidays due to an increase of interisland flights and electric vehicles. On average the DOT has observed that up to 20% of the 4,740 public parking stalls are occupied by approximately 933 electric vehicles on an average day.

The DOT remains a strong proponent for the electrification of transportation and will consider allowing electric vehicle parking at HNL when more parking spaces become available in the future.

Thank you for the opportunity to provide testimony.

DAVID Y, IGE COVERNOR OF HAWAII

;808 587 0390

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# STATE OF HAWAII HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION COMMISSION POST OFFICE BOX 621 HONOLULU, HAWAII 96809

# COORDINATOR, HAWAII CLIMATE CHANGE MITIGATION AND ADAPTATION ANUKRITI HITTLE COMMISSION Testimony of

Before the House Committee on ENERGY & ENVIRONMENTAL PROTECTION

Thursday, January 23, 2020 9:00AM State Capitol, Conference Room 325 In consideration of HOUSE BILL 555 RELATING TO THE ENVIRONMENT

carbon emissions caused by their employees' air travel, and proposes to require the Department of Land and Natural Resources to establish and administer a carbon offset program. I offer the House Bill 555 proposes to require state agencies to participate in a carbon offset program to offset following comments on behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) in support of this measure. The Hawaii Climate Change Mitigation and Adaptation Commission "recognizes the urgency of uphold the United States' pledges under the Paris Agreement, is the coordinating body for policies body that guides the priorities of the state's climate response. Co-chaired by the Department of Land and Natural Resources and the Office of Planning, it consists of 20 members—four chairs of climate threats and the need to act quickly. It promotes ambitious, climate-neutral, culturally responsible strategies for climate change adaptation and mitigation in a manner that is clean, equitable and resilient." The Commission, established by Act 32 Session Laws of Hawaii 2017, to on climate change mitigation and adaptation for the state. It is a high-level multi-jurisdictional legislative committees, and executive department heads at the county and state levels.

Hawaii is on track to meet its emissions goals. However, since this accounting does not include emissions from air travel, which are a significant component of overall transportation emissions interstate or international. According to the State's latest Greenhouse Gas Emission Report, 2045, a carbon offset program will undoubtedly be a crucial component of mitigation. House Bill 555 is an important part of the equation, as it attempts to address some of the emissions from air Given its geography, air travel is a necessity of life in the Hawaiian islands, whether interisland, in Hawaii, as Hawaii progresses towards its goal to sequester more carbon than it produces by travel. The Commission, in keeping with promoting ambitious strategies for climate change, encourages the consideration of offsets for all air travel.

Thank you for the opportunity to comment on this measure.



HADA Testimony in SUPPORT of HB1052
Presented to the Committee On Energy & Environmental Protection
at the Public Hearing 9 a.m., Thursday, January 23, 2020
in Room 325 Hawaii State Capitol
by David H. Rolf for members of the Hawaii Automobile Dealers Association,
Hawaii's franchised new car dealers, who provide sales, warranty work and other factory-certified maintenance service for Hawaii's personally-owned and fleet-owned cars and light trucks

Chair Lowen, Vice chair Wildberger and members of the committee:

HADA dealers support HB1052 which proposes a modification to the current electric vehicle free parking allowed at State airports by limiting the free parking to 4 hours use of the stall.

HADA dealers have heard the concerns of Department of Transportation officials who have testified about the problem of limited availability of parking stalls at the airports caused by extensive use of the EV free parking benefit. This has been a concern for some time, but especially now during the current construction phase at some airports that is going on.

HADA dealers have also heard the concerns expressed by the Department about the loss of revenue because of the growing number of electric vehicles, which now number about 10,000 in the islands.

HADA dealers have supported the EV benefits program and the transition to renewable fuel vehicles in ground transportation. Hawaii now ranks No. 2 among states in rate of customer purchase of these vehicles, second only to California.

States like California provide customers thousands of dollars in rebates as incentives to buy EVs. HADA dealers, however, have supported Hawaii's strategy of providing EV benefits, like HOV lane use for single occupancy, free parking at metered state and county parking, and (to date), the free parking at state airports.

The free airport parking benefit is scheduled to sunset June 30, 2020, and another bill, SB 2657, seeks to extend the EV benefits, provided by ACT 168, Session Laws of Hawaii 2012, to 6-30-2028.

HADA dealers acknowledge that these EV benefits have greatly aided in the sale of EVs and have helped Hawaii achieve its No. 2 ranking in EV sales.

The modification to 4 hours of free EV parking at the airports, proposed in HB1052, will allow a modified airport EV free parking benefit to remain place through June of this year, and will serve

### HADA Testimony in Support of HB1052, page 2

as a continuing EV benefit through 6-30-2028 if SB 2657 is also subsequently passed and signed into law.

For the above reasons HADA dealers support HB1052 and request that the committee pass it for continued consideration.

Respectfully submitted, David H. Rolf For the members of the Hawaii Automobile Dealers Association









### HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

January 23, 2020, 9:00 A.M. Room 325 (Testimony is 2 pages long)

### TESTIMONY OFFERING COMMENTS ON HB 1052, WITH SUGGESTED AMENDMENT

Aloha Chair Lowen, Vice Chair Wildberger, and members of the Committee:

Blue Planet Foundation supports revisiting Hawaii's existing incentives for electric vehicles (EVs) to address government concerns, but we respectfully request an amendment to HB 1052 to extend the EV benefits' sunset date beyond 2020—ideally to 2030, or until EVs reach 10% of total registered vehicles in the state. Allowing the state's only EV incentives to expire this June would be a detriment to our state's climate and carbon neutrality goals.

While Hawaii has been making strides on renewable electricity, we are falling short on decarbonizing our ground transportation sector. Greenhouse gas emissions from transportation are increasing. Last year, we sold 6% more gasoline than the previous year. Over one million gasoline-powered vehicles are on Hawaii's roads—and from them comes nearly five million metric tons of climate-changing carbon pollution. Although we now have roughly 10,000 EVs on Hawaii's roads, they still only make up about 1% of all registered vehicles in the state.

If the legislature intends to reduce the parking incentives available to EV owners, we respectfully request that other incentives be considered to foster the continued adoption of Hawaii's electrified transportation future. There are a number of other policies currently before the legislature that could be incorporated into a policy package for accelerating the adoption of electric vehicles and charging infrastructure.

Electric vehicles will play an integral role in Hawaii's clean energy future. While EVs that use the existing electricity grid to charge still use mostly fossil fuel, they use that fuel more effectively than burning fuel directly in a typical gasoline engine. This is why EVs are much less expensive to "fuel" per mile than their gasoline counterparts. Further, by using stored electrical energy, EVs can take advantage of intermittent solar, wind, and other clean energy resources. Most vehicles sit idle over 22 hours of the day, so they can become *de facto* energy storage devices if their batteries are plugged into the grid when they are not in use. With smart grid infrastructure in place, EVs become an essential component to electricity load and clean energy resource balancing—in addition to providing clean mobility solutions for Hawaii residents.

Recognizing that emissions from ground transportation have been increasing in recent years, in December 2017, the mayors from all four of Hawaii's counties pledged to transform ground transportation to 100 percent renewable fuel by 2045. The purpose of their action

was to set a vision for clean, modern mobility options for all. This goal is necessary and achievable. The state should support these county goals with appropriate incentives to foster the rapid adoption of electric and other renewable fuel vehicles.

Barriers still remain to widespread EV adoption, including initial vehicle cost, lack of charging infrastructure, and vehicle range. That is why many U.S. states have provided incentives—often in the form of a rebate—to prospective purchasers to help overcome these hurdles.<sup>1</sup>

With the mayors' proclamations in December 2017, Hawaii joined the ranks of several countries who have also recognized that fossil fuel-powered ground transportation needs to end. **Both France and Britain have set a target phasing out the sale of new gas cars by 2040**. India set a similar goal for 2030. Belgium, Sweden, and Norway are developing policies to do the same. China also announced plans to electrify its entire vehicle fleet.

These countries recognize the environmental imperative for setting long-term transportation policies. Here, policy is key, as the market fails to account for the environmental and social cost of carbon pollution from vehicles today.

The issue of parking at the airport has been an ongoing talking point in the debate about EV parking benefits. If the legislature is concerned about the availability of parking for local travelers at the airport, we would encourage a dialogue regarding possible alternatives (e.g., alternative parking or transportation options for airport and airline employees or another means of identifying these individuals) rather than effectively eliminating the benefit at this early stage in EV adoption.

In sum, if we hope to have a chance at achieving our climate and carbon neutrality goals, we must dramatically reduce our (currently increasing) greenhouse gas emissions from the ground transportation sector. With EVs currently making up only 1% of total vehicles on Hawaii's roads, we can't afford to lose the only state incentives we have for electric vehicles. We respectfully request that the Committee amend HB 1052 to extend the sunset date beyond 2020—ideally to 2030, or until EVs reach 10% of total registered vehicles in the state.

Thank you for the opportunity to testify.

Blue Planet Foundation Senate Bill 657 SD2 Page 2

<sup>&</sup>lt;sup>1</sup> See Chargepoint, *Incentives that Kick Gas*, https://www.chargepoint.com/drivers/incentives/ (summarizing EV financial incentives by state); see also Chargepoint, *Take Credit for Going Green*, https://www.chargepoint.com/products/home-station-incentives/ (summarizing state incentives for charging equipment).



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### HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION Thursday, January 23, 2020 — 9:00 a.m. — Room 325

### Ulupono Initiative Provides Comments on HB 1052, Relating to Electric Vehicles

Dear Chair Lowen and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-based impact investment firm that strives to improve our community's quality of life by working toward solutions that create more locally produced food; increase affordable clean, renewable energy and transportation options; and better manage freshwater and waste resources.

Though we may be skeptical, we do appreciate the State's perspective on parking revenue, but also want to reiterate that EVs are an important part of addressing Hawai'i's pressing climate issues and align with the State's energy and environmental goals. Ground transportation makes up a significant portion of Hawai'i's reliance on imported oil and the largest contributor to our State's greenhouse gas emissions. In reducing benefits for EV drivers, we are discounting the positive attributes EVs offer and effectively slowing the transition to cleaner, healthier, and cheaper transportation. Furthermore, EVs are still emerging, comprising just 1 percent of all cars on the road in Hawai'i, but growing very rapidly at 26 percent in 2019.

The tradeoffs are not clear that such a decision is prudent. Many questions remain with needed analysis or data. These include:

- EV ownership If we continue to chip away at the too few benefits we currently have, are we adversely affecting or slowing our electrification transition?
- Parking demand Is it reasonable to assume that these EV owners would still park at the airport?
- Travel demand to and from airports Does this shift actually create more issues? Do EV owners now induce more two-way traffic via ride-hailing or drop-offs?
- Revenue implications Without a more robust analysis and methodology, it may not achieve projected revenues but rather just depress EV benefits for limited purpose (and directly counter to state energy and environmental goals)?
- Implementation issues If one does park for longer, does the benefit even still exist? The daily rate cap means that potentially all EV users would never receive any discounts, depending on how the discounted hours are accounted.

As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that support clean ground transportation. Thank you for this opportunity to testify.

Respectfully, Micah Munekata Director of Government Affairs

Submitted on: 1/21/2020 3:05:16 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Individual	Support	No

### Comments:

The Climate Protectors Coalition strongly supports HB1052!

We are a new group inspired by the Mauna Kea Protecters but focused on reversing the climate crisis. As a tropical island State, Hawaii will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, and rising sea levels. We must do all we can to reduce our carbon footprint and become at least carbon neutral as soon as possible. Switching to electric vehicles powered by photovoltaics is essential. Extending parking incentives and providing more charging infrastructure for electric vehicles are vital in getting owners to switch away from vehicles using fossil fuels. Please pass a bill that extends and expands parking incentives for electric vehicles.



183 Pinana St., Kailua, HI 96734 • 808-262-1285 • info@350Hawaii.org

To: The House Committee on Energy & Environmental Protection

From: Brodie Lockard, Founder, 350Hawaii.org Date: Thursday, January 23, 2020, 9:00 am

In opposition to HB 1052



Dear Chair Lowen, Vice Chair Wildberger, and members:

350Hawaii opposes HB 1052. Hawaii should be encouraging electric vehicle (EV) adoption in every way possible.

With a million vehicles, Hawaii still only has a 1% EV adoption rate. Ground transportation uses 28.4% of the state's overall energy [1]. It's the area that needs the most help in reducing greenhouse gas emissions.

Federal tax credits for EVs end soon, making it harder for people to buy them. Picking at free parking hours for EVs is going in the wrong direction. Our adoption rate needs to grow, quickly, if we are to meet our zero-emission goals.

Give prospective EV buyers a hand, not a slap.

Brodie Lockard Founder, 350Hawaii.org

[1] https://www.civilbeat.org/2019/10/why-hawaii-still-has-so-few-electric-cars/

Submitted on: 1/22/2020 1:10:14 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Charles Prentiss	Individual	Comments	No

### Comments:

The intent appears good, but I have read it three times and still don't know where I can park my EV. Needs more clarity.



Submitted on: 1/22/2020 5:06:49 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Oppose	No

### Comments:

Dear Chair Lowen, Vice Chair Wildberger, and members:

I oppose HB 1052. Hawaii should be doing everything possible to promote electric vehicle (EV) adoption.

We still have only 1% adoption of electric vehicles in a state with a million vehicles, and ground transportation accounts for 28.4% of the state's overall energy usage [1].

Reducing free parking hours for EVs from 24 at a time to only 4 penalizes EV owners. It chips away at our adoption rate when it needs all the help it can get. With federal tax credits for EVs ending soon, prospective EV buyers need incentives, not nickel-and-diming.

Please don't pass this manini, counterproductive bill.

Nanea Lo



Submitted on: 1/22/2020 5:13:05 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Boyne	Individual	Oppose	No

### Comments:

Dear Chair Lowen, Vice Chair Wildberger, and members:

I oppose HB 1052. Hawaii should be doing everything possible to promote electric vehicle (EV) adoption.

We still have only 1% adoption of electric vehicles in a state with a million vehicles, and ground transportation accounts for 28.4% of the state's overall energy usage [1].

Reducing free parking hours for EVs from 24 at a time to only 4 penalizes EV owners. It chips away at our adoption rate when it needs all the help it can get. With federal tax credits for EVs ending soon, prospective EV buyers need incentives, not nickel-and-diming.

Please don't pass this manini, counterproductive bill.

Jonathan Boyne

To: The House Committee on Energy & Environmental Protection

From: Lynn Aaberg

Date: Thursday, January 23, 2020, 9:00 am

Opposition of HB 1052

Dear Chair Lowen, Vice Chair Wildberger, and members:

I strongly oppose HB 1052. No more than 1% of cars in Hawai'i out of more than a million are EV's. We need more incentives, not fewer, to encourage Hawai'i residents to participate in reducing greenhouse gases by driving electric vehicles. This should be the year that Hawai'i makes history in tipping the balance towards fewer emissions, and supporting EVs in this way helps!

Sincerely,

Lynn Aaberg





Submitted on: 1/22/2020 8:29:42 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Micha'el Leventhal	Individual	Oppose	No

### Comments:

To: The House Committee on Energy & Environmental Protection

From: Eric Micha'el Leventhal Date: Thursday, January 23, 2020

In opposition to HB 1052

Dear Chair Lowen, Vice Chair Wildberger, and members:

I oppose HB 1052. Hawaii should be doing everything possible to promote electric vehicle (EV) adoption.

We still have only 1% adoption of electric vehicles in a state with a million vehicles, and ground transportation accounts for 28.4% of the state's overall energy usage [1].

Reducing free parking hours for EVs from 24 at a time to only 4 penalizes EV owners. It chips away at our adoption rate when it needs all the help it can get. With federal tax credits for EVs ending soon, prospective EV buyers need incentives, not nickel-and-diming.

Please don't pass this counterproductive bill!

With gratitude and aloha,

~ Eric Micha'el Leventhal

Submitted on: 1/22/2020 9:02:17 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rene Robertson	Individual	Oppose	No

### Comments:

To: The House Committee on Energy & Environmental Protection

From: René Robertson

Date: Thursday, January 23, 2020, 9:00 am

In opposition to HB 1052



Dear Chair Lowen, Vice Chair Wildberger, and members:

I oppose HB 1052. Hawaii should be doing **everything** possible to promote electric vehicle (EV) adoption.

We still have only 1% adoption of electric vehicles in a state with a million vehicles, and ground transportation accounts for 28.4% of the state's overall energy usage

Reducing free parking hours for EVs from 24 at a time to only 4 penalizes EV owners. It chips away at our adoption rate when it needs all the help it can get. With federal tax credits for EVs ending soon, prospective EV buyers need incentives, not nickel-and-diming.

Please don't pass this manini, counterproductive bill.

René Robertson



Submitted on: 1/22/2020 9:20:59 PM

Testimony for EEP on 1/23/2020 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ian Robertson	Individual	Oppose	No

### Comments:

To: The House Committee on Energy & Environmental Protection

From: Ian Robertson

Date: Thursday, January 23, 2020, 9:00 am

In opposition to HB 1052

Dear Chair Lowen, Vice Chair Wildberger, and members:

I oppose HB 1052. Hawaii should be doing everything possible to promote electric vehicle (EV) adoption.

We still have only 1% adoption of electric vehicles in a state with a million vehicles, and ground transportation accounts for 28.4% of the state's overall energy usage [1].

Reducing free parking hours for EVs from 24 at a time to only 4 penalizes EV owners. It chips away at our adoption rate when it needs all the help it can get. With federal tax credits for EVs ending soon, prospective EV buyers need incentives, not nickel-and-diming.

Please don't pass this counterproductive bill.

Sincerely

Ian Robertson

Submitted on: 1/23/2020 12:50:12 AM

Testimony for EEP on 1/23/2020 9:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Sherry Pollack	Individual	Oppose	No

### Comments:

To: The House Committee on Energy & Environmental Protection

From: Sherry Pollack

Date: Thursday, January 23, 2020, 9:00 am

In strong opposition to HB 1052

Dear Chair Lowen, Vice Chair Wildberger, and members:

I oppose HB 1052. Hawaii should be doing everything possible to promote electric vehicle (EV) adoption. This bill takes us in the wrong direction.

Please do not pass this counterproductive bill.

Thank you for the opportunity to testify.

Sherry Pollack