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# A BILL FOR AN ACT

RELATING TO ENERGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the human-induced  
2 global climate crisis requires thoughtful but bold responses on  
3 multiple fronts to make Hawaii communities resilient to the  
4 impacts of storms, floods, fire, and sea-level rise that  
5 threaten the very survivability of these fragile islands.  
6 Hawaii has historically played a critical leadership role in the  
7 areas of labor, justice, equity, and the environment. In  
8 addition to adopting a statewide carbon neutrality goal, Hawaii  
9 was the first state in the nation to adopt a one hundred per  
10 cent renewable electricity requirement and the first state to  
11 commit to the goals of the 2015 Paris Climate Agreement.  
12 Hawaii's one hundred per cent renewable electricity goal has  
13 been emulated by other states and territories, demonstrating  
14 that Hawaii's actions on climate change can influence broader  
15 actions beyond the islands' shores.

16           The legislature further finds that Hawaii is nearly one  
17 hundred per cent dependent on imported petroleum for its ground



1 transportation needs. Hawaii residents, businesses, and  
2 visitors spent over \$1,700,000,000 on gasoline in 2019 and the  
3 combustion of that fuel released over ten billion pounds of  
4 climate-changing carbon dioxide into the atmosphere. While  
5 carbon pollution from Hawaii's energy sector has decreased over  
6 the past decade, carbon pollution from Hawaii's ground  
7 transportation sector has increased ten per cent. Existing  
8 policy measures have not meaningfully reduced carbon pollution  
9 from Hawaii's ground transportation sector.

10 The legislature believes that electric vehicles play an  
11 integral role in Hawaii's clean energy future. Electric  
12 vehicles are much less expensive to operate per mile than their  
13 gasoline counterparts. By using stored electrical energy,  
14 electric vehicles can take advantage of intermittent solar,  
15 wind, and other clean energy resources. With the continued  
16 growth of an intelligent electrical grid, electric vehicles have  
17 become an essential component to electricity load and clean  
18 energy resource balancing. They also provide clean mobility  
19 solutions for Hawaii residents and visitors.

20 The legislature further finds that, in Hawaii and elsewhere  
21 in the world, the lack of adequate vehicle charging



1 infrastructure has become a major barrier to increasing adoption  
2 of electric vehicles. The International Energy Agency has found  
3 that "the availability of chargers emerged as one of the key  
4 factors for contributing to the market penetration of [electric  
5 vehicles]." Many parking facilities connected to high density,  
6 multi-family dwellings, which are a home to a large share of the  
7 Hawaii population, do not accommodate electric vehicle charging  
8 stations. Exacerbating the adoption barrier is that more than  
9 eighty per cent of electric vehicle owners charge their cars at  
10 home or work.

11 The purpose of this Act is to allocate three cents of the  
12 barrel tax to fund the electric vehicle charging system rebate  
13 program established under sections 269-72 and 269-73, Hawaii  
14 Revised Statutes. The program is intended to be self-financing  
15 and not increase expenditures from or reduce revenues into the  
16 general fund.

17 SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19 **"§243-3.5 Environmental response, energy, and food**  
20 **security tax; uses.** (a) In addition to any other taxes  
21 provided by law, subject to the exemptions set forth in section



1 243-7, there is hereby imposed a state environmental response,  
2 energy, and food security tax on each barrel or fractional part  
3 of a barrel of petroleum product sold by a distributor to any  
4 retail dealer or end user of petroleum product, other than a  
5 refiner. The tax shall be \$1.05 on each barrel or fractional  
6 part of a barrel of petroleum product that is not aviation fuel;  
7 provided that of the tax collected pursuant to this subsection:

- 8 (1) 5 cents of the tax on each barrel shall be deposited  
9 into the environmental response revolving fund  
10 established under section 128D-2;
- 11 (2) [~~5~~] 4 cents of the tax on each barrel shall be  
12 deposited into the energy security special fund  
13 established under section 201-12.8;
- 14 (3) [~~10~~] 8 cents of the tax on each barrel shall be  
15 deposited into the energy systems development special  
16 fund established under section 304A-2169.1; [~~and~~]
- 17 (4) 15 cents of the tax on each barrel shall be deposited  
18 into the agricultural development and food security  
19 special fund established under section 141-10[~~-~~]; and
- 20 (5) 3 cents of the tax on each barrel shall be deposited  
21 into the public utilities commission special fund



1           established under section 269-33 for the electric  
2           vehicle charging system rebate program.

3           The tax imposed by this subsection shall be paid by the  
4 distributor of the petroleum product."

5           SECTION 3. Section 269-33, Hawaii Revised Statutes, is  
6 amended to read as follows:

7           "**§269-33 Public utilities commission special fund.** (a)

8 There is established in the state treasury a public utilities  
9 commission special fund to be administered by the public  
10 utilities commission. The proceeds of the fund shall be used by  
11 the public utilities commission and the division of consumer  
12 advocacy of the department of commerce and consumer affairs for  
13 all expenses incurred in the administration of chapters 269,  
14 271, 271G, 269E, and 486J, and for costs incurred by the  
15 department of commerce and consumer affairs to fulfill the  
16 department's limited oversight and administrative support  
17 functions; provided that the expenditures of the public  
18 utilities commission shall be in accordance with legislative  
19 appropriations. On a quarterly basis, an amount not exceeding  
20 thirty per cent of the proceeds remaining in the fund after the  
21 deduction for central service expenses, pursuant to



1 section 36-27, shall be allocated by the public utilities  
2 commission to the division of consumer advocacy and deposited in  
3 the compliance resolution fund established pursuant to  
4 section 26-9(o); provided that all moneys allocated by the  
5 public utilities commission from the fund to the division of  
6 consumer advocacy shall be in accordance with legislative  
7 appropriations.

8 (b) All moneys appropriated to, received, and collected by  
9 the public utilities commission that are not otherwise pledged,  
10 obligated, or required by law to be placed in any other special  
11 fund or expended for any other purpose shall be deposited into  
12 the public utilities commission special fund including, but not  
13 limited to, all moneys received and collected by the public  
14 utilities commission pursuant to sections 92-21, 243-3.5,  
15 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and  
16 607-5.

17 (c) The public utilities commission shall submit an update  
18 as part of its annual report submitted pursuant to section 269-5  
19 detailing all funds received and all moneys disbursed out of the  
20 fund.



1 (d) All moneys in excess of \$1,000,000 remaining on  
2 balance in the public utilities commission special fund on  
3 June 30 of each year shall lapse to the credit of the state  
4 general fund.

5 (e) There is established within the public utilities  
6 commission special fund an electric vehicle charging system  
7 subaccount. The public utilities commission shall expend moneys  
8 in the subaccount for the purposes of funding the electric  
9 vehicle charging system rebate program established pursuant to  
10 sections 269-72 and 269-73."

11 SECTION 4. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 2050;  
14 provided that this Act shall be repealed on June 30, 2030, and  
15 sections 243-3.5 and 269-33, Hawaii Revised Statutes, shall be  
16 reenacted in the form in which they read on June 30, 2021.



**Report Title:**

Electric Vehicle Charging System Rebate Program; New Vehicle Sales

**Description:**

Allocates three cents of the barrel tax to fund the installation of electric vehicle charging systems. Establishes an electric vehicle charging system subaccount within the public utilities commission special fund. Sunsets 6/30/2030. Effective 7/1/2050. (SD1)

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