

CURT T. OTAGURO COMPTROLLER

AUDREY HIDANO DEPUTY COMPTROLLER

STATE OF HAWAII DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

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

WRITTEN TESTIMONY OF CURT T. OTAGURO, COMPTROLLER DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS

THURSDAY, FEBRUARY 11, 2021, 3:00 P.M. CONFERENCE ROOM 016

S.B. 798

RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES.

Chair Moriwaki, Vice Chair Dela Cruz and members of the Committee, thank you for the

opportunity to testify on S.B. 798.

The Department of Accounting and General Services (DAGS) provides comments on

S.B. 798 which proposes that:

- A) Beginning January 1, 2022, all new vehicles purchased for the State's motor pools shall not be powered by internal combustion engines; and
- B) The comptroller may authorize an exemption for new motor pool vehicle purchases determined cost-prohibitive or unsuitable for the vehicles planned purposes.

The DAGS motor pool program has about 435 vehicles available for use by various State Departments such as the Department of Health, Human Services and Judiciary. The State of Hawaii operates approximately 5,000 vehicles through various State Agencies. These agencies operate their own motor pools and manage their own expenses to support their respective fleets.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE GOVERNOR



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Telephone: Fax: Web: (808) 587-3807 (808) 586-2536 energy.hawaii.gov

Testimony of SCOTT J. GLENN, Chief Energy Officer

before the SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Thursday, February 11, 2021 3:00 P.M. Senate conference room via videoconference

Comments in support of SB 798 RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES.

Chair Moriwaki, Vice Chair Dela Cruz, and Members of the Committee, the Hawaii State Energy Office (HSEO) offers comments in support of SB 798, which requires the State to purchase only zero-emission vehicles for its motor pool fleet beginning on 1/1/22.

Emissions from ground transportation account for the largest share of energy sector emissions in the state. As noted in the 2016 Greenhouse Gas Inventory, transportation emissions in Hawaii were at 8.69 million metric tons of carbon dioxide equivalents, accounting for 51 percent of total energy sector emissions. Ground transportation accounted for 47 percent of the transportation emissions. For Hawaii to meet its statutory target "to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045", programs that support the adoption of cleaner transportation options are necessary and tremendously important.

Accelerating the deployment of electric vehicles is an area of focus of the Hawaii Clean Energy Initiative Transportation Energy Analysis, prepared for HSEO by the International Council on Clean Transportation. In order to achieve the decarbonization goals set forth in statute it is essential that the conversion of the State's motor pools to zero emission vehicles (ZEVs) begin as soon as practicable. Light duty passenger ZEVs Hawaii State Energy Office Testimony SB 798 Relating to the Department of Accounting and General Services - Comment February 11, 2021

are readily available in the market today with vehicle ranges exceeding 200 miles making them suitable for most applications from a range perspective. Replacing the motor pool fleet in line with the otherwise applicable replacement cycle would also help mitigate any potential cost pressure. Avoiding adding new internal combustion engine (ICD) vehicles going forward will reduce the ultimate timeline and smooth a more rapid transition to a 100% ZEV fleet as many vehicles are currently held for ten to 15 years. Continuing to purchase new ICEs for the motor pools would put unnecessary barriers to achieving a 100% ZEV fleet by 2035 if not sooner. HSEO does seek clarification on the intent to incorporate vehicles capable of being powered by biofuels which utilize an internal combustion engines.

Thank you for the opportunity to testify.

DAVID Y. IGE GOVERNOR



DR. CHRISTINA M. KISHIMOTO SUPERINTENDENT

STATE OF HAWAI'I DEPARTMENT OF EDUCATION P.O. BOX 2360 HONOLULU, HAWAI'I 96804

> Date: 02/11/2021 Time: 03:00 PM Location: 016 Committee: Senate Government Operations

Department:	Education
Person Testifying:	Dr. Christina M. Kishimoto, Superintendent of Education
Title of Bill:	SB 0798 RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES.
Purpose of Bill:	Requires the State to purchase only zero-emission vehicles for its motor pool fleet beginning on 1/1/22.

Department's Position:

The Hawaii State Department of Education (Department) would like to provide comments for SB 0798.

While the Department supports the state's efforts to reducing carbon emissions, conversion to zero-emission vehicles will implicate significant upgrades to Department infrastructure at schools, offices, and baseyards. Additions to electrical systems at all Department facilities to ensure adequate electrical capacity will require the installation of new circuits, conduits and charging stations. These changes are necessary before the Department can convert to zero-emission vehicles and will require significant financing.

Additionally, the majority of the tasks performed by the Department's School Facilities Maintenance Branch requires the use of trucks. Electric trucks are not widely available at this time and the limited options that currently exist do not render conversion to electric trucks economically viable.

Thank you for the opportunity to testify on this measure.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted

work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



Email: communications@ulupono.com

SENATE COMMITTEE ON GOVERNMENT OPERATIONS Thursday, February 11, 2021 — 3:00 p.m.

Ulupono Initiative <u>supports the intent</u> of SB 798, Relating to the Department of Accounting and General Services.

Dear Chair Moriwaki 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-focused impact investment firm that strives to improve quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono <u>supports the intent</u> of SB 798, which requires the State to purchase only zero-emission vehicles for its motor pool fleet beginning on 1/1/22.

Ulupono supports Hawai'i's reduction of fossil fuel use as we strive to meet the State's 100% renewable goal by 2045. This measure seeks to make a large impact on the renewable energy goal by transitioning the State's fleet to zero-emission vehicles. In our view, zero-emission vehicle costs continue to decrease while vehicle options continue to increase, making such a transition to zero-emission vehicles very feasible in the near-term.

Hawai'i Should Be Doing More

Ulupono finds that electric vehicles (EVs) are an important avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. EVs currently offer an effective option to advance clean, renewable ground transportation and provide immediate benefits to Hawai'i. Though EVs currently only represent about one percent of all passenger vehicles in the state, EV sales grew by more than 40% in 2020. Simply put, zero-emission vehicles are the future and polices like this align with similar commitments around the globe.

In fact, the Governor of California recently signed an executive order to eliminate the sale of new gas cars and trucks by 2035. California joins a multitude of countries and cities across Europe, as well as China and British Columbia, who have taken similar measures to eliminate the sale of new fossil fuel vehicles.

Most recently, Nissan committed to having every new vehicle in major markets (including the US) be electrified by the early 2030s. Last week, General Motors (GM) committed to stop making gasoline and diesel cars, vans and SUVs by 2035.

Investing in a Sustainable Hawai'i



The future of transportation does not depend on fossil fuels and the State of Hawai'i should continue to lead by example and further show the world that Hawai'i is serious about the sustainability and resiliency of our community by encouraging EVs as this bill proposes.

EVs Provide Immediate Energy and Environmental Impact

Ground transportation alone utilizes more than a quarter of the state's imported petroleum. Electrifying ground transportation will reduce our demand for imported fossil fuels, keeping millions of dollars in the state and cutting harmful pollution.



Source: Hawai'i State Energy Office – Hawai'i Energy Facts & Figures

Converting from petroleum-based vehicles to EVs immediately reduces GHG emissions, helping combat climate change and its impacts on our islands. EVs produce zero-emissions at the tailpipe, and even when full lifecycle emissions (from manufacturing through disposal) are considered, EV emissions are approximately 50 percent lower than internal combustion engine (ICE) vehicles.

EVs can also support the integration of more renewables on the electric grid with smart charging technology and rate structures. Thus, proliferating EVs throughout Hawai'i can help accelerate progress towards the State's 100 percent RPS goal, as well as contribute to the State's Paris Agreement commitments and carbon neutral goal.

This bill is an important measure for the State to push for the decarbonization of our economy, while continuing to show the world that Hawai'i is a clean energy leader.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs



To: The Senate Committee on Government Operations

From: Sherry Pollack, 350Hawaii.org

Date: Thursday, February 11, 2021, 3pm

In strong support of SB798

Aloha Chair Moriwaki, Vice Chair Dela Cruz, and Government Operations Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org strongly supports **SB798.** This bill would require the State to purchase only zero-emission vehicles for its motor pool fleet beginning January 1, 2022.

In Hawaii, the transportation sector uses nearly two-thirds of the imported petroleum consumed and discharges over half of the state's greenhouse gas emissions, making electric transportation increasingly important to achieve a clean energy future. Electric vehicles reduce fossil fuel use and emissions and will help support the state's goal to achieve 100 percent clean energy.

Incorporating zero-emission vehicles into the State's motor pool would significantly reduce carbon emissions, increase the number of zero-emission vehicles entering the secondary market, making them more affordable to more Hawaii residents, and demonstrate to all who visit the State that Hawaii is a leader in clean energy and sustainable transportation.

Bottomline, zero-emission vehicles are better for the environment and the economy. They are the future for Hawaii, a future we need to begin now. The State's motor pool fleet is a logical place to accelerate progress on EV adoption statewide.

Mahalo for the opportunity to testify in strong support of this very important bill.

Sherry Pollack Co-Founder, 350Hawaii.org



February 9, 2021

TO: Chair Moriwaki and members of GVO Committee

RE: SB 798 RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Support for hearing on Feb. 11

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support SB 798 as it would require the State to purchase only zero-emission vehicles for its motor pool fleet beginning on 1/1/22.

Carbon-emissions are causing climate change. We are pleased President Biden has restored the United States into the Paris Agreement within the U.N. Framework Convention on Climate Change. Yet Hawaii must do its part. This bill is a part of us doing our part.

Thank you for your favorable consideration.

Sincerely, John Bickel, President





KauaiEV.org 302 Makani Rd. Kapaa, HI 96746 808-652-0591



February 10, 2021

Aloha Chair Sharon Y. Moriwaki, Vice Chair Donovan M. Dela Cruz, and Committee on Government Operations members, and Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran, and Committee on Ways and Means members,

On behalf of KauaiEV, a grassroots organization with over 100 members on Kauai, I write **in strong support of SB798**.

Our members are electric vehicle drivers, and we believe that EVs are the personal transportation of the future. EVs are very efficient, and several of our members get 170 - 180 miles per gallon equivalent, so EVs are far less polluting and cheaper over their lifetime. As our island grids are powered by more and more renewables EVs get even cleaner! A recent consumer report also found EV maintenance costs are half as much as a gas car's.

Electric Vehicles are quiet and smooth to drive and we believe the drivers of the motor pool vehicles will enjoy them as much as we do.

While KauaiEV also testified for another Bill to electrify the state's light duty vehicle this bill is our favorite, as most of us believe we are running out of time. To reach Hawaii's climate goals and in order to combat climate change and sea level rise we need to move away from burning fossil fuels as soon as possible. The state must take the lead and consumers will follow.

Please support SB798 and vote to electrify the State of Hawaii's Motor Pools fleet!

Mahalo for your consideration!

Souia Kan

Sonja Kass, President KauaiEV

info@KauaiEV.org

FB @KauaiEV

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<u>SB-798</u> Submitted on: 2/10/2021 8:50:07 AM Testimony for GVO on 2/11/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Carvalho	Testifying for Mission Zero Hawaii	Support	No

Comments:

To the Leaders of Hawaii,

On behalf of Mission Zero Hawaii, Hawaii's largest electric car rental business based out of Kauai, I write in strong support of SB798.

Justin Carvalho

Hawaii Electric Vehicle Association PO BOX 6310 Hilo, HI 96720 hawaiidriveelectric@gmail.com



February 10, 2021

Dear Chair Sharon Y. Moriwaki , Vice Chair Donovan M. Dela Cruz, and Committee on Government Operations members, and Chair Donovan M. Dela Cruz, Vice-Chair Gilbert S.C. Keith-Agaran, and Committee on Ways and Means members,

Hawaii Electric Vehicle Association is in SUPPORT of SB798.

In order to reach Hawaii's sustainable transportation and climate goals, we must electrify our ground transportation as soon as possible. With automakers heeding the demand for zero-emission vehicles, there are now many electric vehicle makes and models to choose from. Our state motor pool managers should be able to find electric vehicle replacements for many of the gas-powered vehicles in the fleet. The state can and must lead the effort to decarbonize and set an example for other fleet owners.

EVs are very efficient and Hawaii's warm weather is ideal for them. Only 16% - 25% of the energy from the fuel in a conventional vehicle gets to the wheels and 70% or more of the energy is wasted (https://www.fueleconomy.gov/feg/atv.shtml). EVs get 86% - 90% of the energy to the wheels. (https://www.fueleconomy.gov/feg/atv-ev.shtml), thus far less polluting and cheaper over their lifetime. As our island grids are powered by more and more renewables over time EVs get even cleaner! A recent consumer report also found EV maintenance costs are half as much as that for gas cars.

Importantly, EVs are powerful, quiet, and smooth, and almost everyone who tries driving them likes the way they handle.

We really like the aggressive timeframe on this bill. It allows us to demonstrate urgent action on emissions and will inspire other fleet owners to do the same.

Please support SB798 and vote to electrify the State of Hawaii's motor pool fleet!

Thank you!

Sincerely,

Noel Morin - President

Hawaii EV Association is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit hawaiiev.org

<u>SB-798</u> Submitted on: 2/9/2021 11:23:19 AM Testimony for GVO on 2/11/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Parsons	Individual	Support	No

Comments:

Aloha Committee members,

I STRONGLY support SB798, as I think it's the MOST important bill out there for leverage in the fight against Climate Change!!! For a few years now, I've been encouraging a Ban on BRAND NEW FFV (Fossil Fuel Vehicles) purchases. The first "No-Brainer" argument here is EVs SAVE MONEY and Everyone speaks Green \$\$\$!!! For example, recent study says Nevada will save 20 BILLION DOLLARS switching to EV's. How many billions will Hawaii save: https://cleantechnica.com/2021/02/05/new-report-electric-vehicles-can-save-nevada-20billion/!?

Furthermore, this bill is one of my favorites, because I believe it has the power to spread to other entities Like power companies and the Counties to Stop Buying Brand New FFV, because when Total cost of ownership is considered EV's are cheaper, safer and More fun to drive. Then the public is next. This bill totally beats bills like 100% fleet electrification by 2035 (Good, but Too far out to encourage the public to change their buying habits) and the rental car infusion, (Nice, but a little removed from getting HI residents to switch and start saving money.. When we pass this, we can LEVERAGE!!!

How? By asking counties and power companies, how come you're still buying FF when they are more expensive and destroying the 'Ania OUR Coral Reefs and Beaches are disappearing, etc! Then we have some harder stats for the public. Aloha Public, You may want to stop buying Brand New FFV, because A. IT WILL SAVE YOU MONEY!!! That's why the State stopped buying them. Oh, by the way they're safer and way more fun to drive oh, it helps fight climate change. Lastly, there's the public health. Switching to EV's saves lives. There's certainly a social justice piece to this too, as the disadvantaged and homeless get the brunt of the ill health effects of FFV. I beg you to act on this one!!! #SaveMoneySaveTheAinaDriveElectirc Lastly, I am angry about Climate Change and I want you to be angry too and ACT! Thank you for all you are diong in the fight against Climate Change!

Imua>>>

Steve Parsons, Kauai Resident

<u>SB-798</u> Submitted on: 2/10/2021 8:46:25 AM Testimony for GVO on 2/11/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Justin R Carvalho	Individual	Support	No

Comments:

To the Leaders of Hawaii,

On behalf of myself a lifetime resident of Kauai, I write in strong support of SB798.

Justin Carvalho

<u>SB-798</u> Submitted on: 2/10/2021 3:03:21 PM Testimony for GVO on 2/11/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrew Richard Kass	Individual	Support	No

Comments:

Aloha Chair Sharon Y. Moriwaki, Vice Chair Donovan M. Dela Cruz, and Committee on Government Operations members, and Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran, and Committee on Ways and Means members,

As and environmentalist and EV driver, I encourage you to support SB798.

Electric Vehicles (EVs) are now mature and mainstream technology, proven to have lower operating and maintenance costs than internal-combustion engine (ICE) vehicles. They are of course cleaner with no tail-pipe emissions and can run on renewable energy that doesn't need to be imported. The state also has a role to play by setting the example for our county administrations, private businesses, and individuals, thus demonstrating--as I have found--that EVs are perfect cars for our islands.

Mahalo,

Andrew Kass

302 Makani Rd. Kapaa, HI, 96746

Hawaii resident since 2003 EV driver since 2014