## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Web site: dbedt.hawaii.gov Telephone: (8 Fax: (8

(808) 586-2355 (808) 586-2377

Statement of MIKE MCCARTNEY Director Department of Business, Economic Development, and Tourism before the HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

> Wednesday, February 16, 2022 2:00 PM State Capitol, Conference Room 329

## In consideration of HB 2090, HD1 RELATING TO ZERO EMISSION TRANSPORTATION.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) strongly supports this Administrative measure, HB 2090, HD1, which establishes a zero-emission transportation rebate program within the Public Utilities Commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

This bill will support the equitable decarbonization of ground transportation by providing financial assistance to low- and moderate-income families to adopt zero emission vehicles. It is important that we design programs that support participation of harder to reach customer segments as we will need everyone engaged if we are to achieve a net-negative carbon economy as soon as practicable but no later than 2045.

Thank you for the opportunity to testify.

DAVID Y. IGE GOVERNOR

MIKE MCCARTNEY DIRECTOR

CHUNG I. CHANG

DEPUTY DIRECTOR



## HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE GOVERNOR

SCOTT J. GLENN CHIEF ENERGY OFFICER

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

## Testimony of SCOTT J. GLENN, Chief Energy Officer

## before the HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, February 16, 2022 Time 2:00 PM State Capitol, Via Videoconference and Conference Room 329

## SUPPORT HB 2090 HD1 RELATING TO ZERO EMISSION TRANSPORTATION.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports HB 2090 HD1, which establishes a zeroemission transportation rebate program within the Public Utilities Commission (PUC) to enable low- and moderate-income (LMI) families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

Emissions from ground transportation account for over half of energy emissions as noted in the 2017 Greenhouse Gas Inventory. Ground transportation accounted for forty seven percent of the transportation emissions. For Hawai'i to meet its statutory target "to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045," significant reductions in emissions from ground transportation will need to be made in the near to medium term. For significant reductions to be made, all market segments in Hawai'i need to be addressed, including LMI households.

Neighborhoods with higher percentages of LMI households generally have a significantly lower adoption rate of electric vehicles (EVs) as a percentage of total vehicles in that neighborhood. The percentage of registered EVs relative to total registered vehicles in zip codes where LMI households make up greater than sixty percent of households is less than half the percentage of registered EVs in zip codes

where LMI households make up less than sixty percent of households. This is a telling data point when considering where Hawai'i currently stands on the equitable transition to a decarbonized ground transportation sector.

One of the features of HB 2090 HD1 is that it includes necessary flexibility for the administrator of the program, as overseen by the PUC, on specific details due to the potential funds for the rebate program and the desired population. The rebate program needs to be able to expeditiously adjust to changing needs of LMI communities and changes in market conditions to ensure the intent of the rebate program is achieved. As a comparison, Oregon originally passed its EV rebate program as a statute with specific criteria and have since passed legislation to update criteria such as income requirements, rebate amounts, and increased the pool of eligible applicants. The Oregon program is funded at about \$12 million per year and yet it still needed to be amended demonstrating the benefits of maintaining flexibility in program design.

In addition, the flexible approach proposed in HB 2090 HB1 is applying lessons learned from Hawai'i's own existing EV Supply Equipment (EVSE) rebate, which was first established in Act 142 (Session Laws of Hawai'i 2019). By establishing the program at the PUC, the PUC was able to develop an effective, successful program with input from stakeholders in a public process. This year the Legislature is considering HB 1811 HD1 to integrate greater flexibility into that rebate program based on the same lessons learned as proposed in HB 2090 HD1. The PUC has demonstrated that they can effectively administer rebate programs and that increasing the flexibility will support a more responsive program.

Lastly, HSEO would like to recommend a clarifying edit to address a concern raised in comments on the previous version of HB 2090. The amendment aligns with the intent of the original language but adds additional clarity by separating the definition of an automobile vehicle dealer cross-referenced with Section 437-1.1, Hawai'i Revised Statutes, from the ability of the PUC to identify eligible rebate providers for other electric vehicles such as motorcycles, motor scooters, and other types of electric vehicles not normally sold by automobile dealers. "Qualifying vehicle" means a motor vehicle that:

- (1) Is a:
- (A) New or used light-duty zero-emission vehicle purchased from a "new vehicle dealer" or "used vehicle dealer" as defined in section 437-1.1;
   (B) New neighborhood electric vehicle purchased from

an appropriate entity as identified by the

administrator of the program;

(C) New zero-emission motorcycle purchased from an appropriate entity as identified by the administrator of the program;

(D) New zero-emission motor scooter purchased from an appropriate entity as identified by the administrator of the program;
 (E) New zero-emission moped purchased from an

appropriate entity as identified by the administrator

of the program;

- (2) Has a manufacturer's suggested retail price of less than the maximum set by the administrator;
- (3) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least twenty-four months from the date of purchase; and

#### HB2090 HD1 RELATING TO ZERO EMISSION TRANSPORTATION – SUPPORT Hawai'i State Energy Office Testimony February 16, 2022

(4) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration as of the date of manufacture. (5) Is purchased from a vehicle dealer "Vehicle dealer" means a "new vehicle dealer" or "used

<u>vehicle dealer</u> as defined in section 437-1.1, or an appropriate entity as identified by the administrator of the program.

For Hawai'i to achieve its goal of a net-negative carbon economy as soon as practicable but no later than 2045 it is essential that everyone is afforded the opportunity to participate in the net-negative carbon economy from an equity, economic, and technical perspective.

HSEO defers to the appropriate agencies for comment on the administration and fiscal impacts of this program addition.

Thank you for the opportunity to testify.

## TESTIMONY OF JAMES P. GRIFFIN, Ph.D. CHAIR, PUBLIC UTILITIES COMMISSION STATE OF HAWAII

## TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

## February 16, 2022 2:00 p.m.

Chair Johanson and Members of the Committee:

MEASURE:H.B. No. 2090 HD1TITLE:RELATING TO ZERO EMISSION TRANSPORTATION.

**DESCRIPTION:** Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. Effective 7/1/2100. (HD1)

## **POSITION:**

The Public Utilities Commission ("Commission") supports this administration bill and offers the following comments.

## COMMENTS:

The Commission supports this measure and believes that it would help to improve access to zero-emission transportation for low- and moderate-income residents.

Since 2019, the Commission has managed the Electric Vehicle Charging System ("EVCS") Rebate Program in consultation with electric vehicle stakeholders and in cooperation with the program's administrator, Hawaii Energy. The program has been met with a robust response and has efficiently allocated funds to expand public charging infrastructure in the state. According to Hawaii Energy, the program to date has issued rebates for 43 new Level 2 EVCS installations, 62 Level 2 retrofits, 1 DC fast charger ("DCFC") installation, and 1 DCFC retrofit. The program also has 30 projects in the pipeline, totaling nearly \$200,000 in rebates.

H.B. No. 2090 HD1 Page 2

The Commission believes that a similar rebate program for zero-emission vehicles could help to facilitate state energy goals, while allowing more Hawaii residents to participate in the financial, environmental, and other benefits of zero-emission transportation. Should this measure be adopted, the Commission will work with Hawaii Energy, the Hawaii State Energy Office, and other stakeholders to ensure that the program is efficiently implemented.

Thank you for the opportunity to testify on this measure.



**Co-Chairs:** Chair, DLNR Director, Office of Planning

Commissioners: Chair, Senate AEN Chair, Senate WTL Chair, House EEP Chair, House WTH Chairperson, DCA Chairperson, DCA CEO, OHA Chairperson, DOH Director, DBEDT Director, DOH Director, C+C DPP Director, Kaua'i DP Director, Kaua'i DP Director, Kaua'i DP The Adjutant General Manager, CZM

#### HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION COMMISSION POST OFFICE BOX 621 HONOLULU, HAWAII 96809 Testimony of

STATE OF HAWAII

# Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission (Temporality Assigned)

## Before the House Committee on CONSUMER PROTECTION & COMMERCE

## Wednesday, February 16, 2022 2:00 PM State Capitol, Via Videoconference, Conference Room 329

## In support of House Bill 2090 RELATING TO ZERO EMISSION TRANSPORTATION

House Bill 2090 Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I offer the following comments in <u>support</u> of this measure.

The Hawaii Climate Change Mitigation and Adaptation Commission "recognizes the urgency 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 SLH 2017 to uphold the United States 'pledges under the Paris Agreement, is the coordinating body for policies on climate change mitigation and adaptation for the state. It is a high-level multi-jurisdictional body that guides the priorities of the state's climate response. Co-chaired by DLNR and Office of Planning, it consists of 20 members—chairs of four legislative committees, and executive department heads at the county and state levels.

Emissions from ground transportation account for over half of energy emissions as noted in the 2017 Greenhouse Gas Inventory. Reducing emissions from ground transportation is one of the major focuses of the Commission, and a transition to clean renewable fueled vehicles is a crucial strategy to achieve state goals. Such conversions include electrification of transportation, and the use of clean, renewable fuels, and a rebate program could be critical in promoting this transition to clean transportation. For significant reductions to be made all market segments in Hawaii need to be addressed, including LMI households.

In its November 2018 statement supporting a price on carbon, the Commission emphasized that carbon fee program mechanisms should minimize regressivity. This bill addresses this by empowering LMI households who generally have a significantly lower adoption rate of electric vehicles (EVs) as a percentage of total vehicles in that neighborhood.

For Hawaii to achieve its goal of a net-negative carbon economy as soon as practicable but no later than 2045 it is essential that everyone is afforded the opportunity to participate in the net-negative carbon economy from an equity, economic, and technical perspective.

Thank you for the opportunity to comment in support of this measure.

REBECCA VILLEGAS Council Member District 7, Central Kona



PHONE: (808) 323-4267 FAX: (808) 323-4786 EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL West Hawai'i Civic Center, Bldg. A 74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

## February 15, 2022 TESTIMONY OF REBECCA VILLEGAS COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL ON HB2090 HD1, RELATING TO ZERO EMMISSION TRANSPORTATION Committee on Commerce and Consumer Protection Wednesday, February 16, 2022 at 2:00pm

Aloha Chair Ling Johanson, and Members of the Committee:

My testimony is submitted in my individual capacity as a member of the County Council and Chair of the Hawai'i County Council Climate Resilience and Natural Resource Management Committee.

I support HB2090 HD1. The purpose of this Act is to establish a rebate program within the public utilities commission for the purchase of zero-emission vehicles and to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

The range of zero-emission vehicles has increased, for the first time the median range of all of the electric vehicles was more than 250 miles per charge. The State's electric vehicle charging system rebate program has proven to be very successful with approximately 140 new charging systems installed or in the pipeline have been facilitated at priority locations including multi-family dwelling, workplaces, in commercial areas, and in places that serve vehicle fleets. Charging infrastructure access throughout the State is expected to increase through the use of federal funds such as the soon to be released Infrastructure Investment and Jobs Act, and state funds allocated through Act 75, Session Laws of Hawaii 2021.

For the reasons stated above I urge the Committee on Commerce and Consumer Protection to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

Rebecca Villegas Council Member, Hawai'i County Council

Hawai'i County is an Equal Opportunity Provider and Employer.



Email: <a href="mailto:communications@ulupono.com">communications@ulupono.com</a>

## HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE Wednesday, February 16, 2022 — 2:00 p.m.

# Ulupono Initiative <u>supports</u> HB 2090 HD 1, Relating to Zero-Emission Transportation.

Dear Chair Johanson 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 the 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</u> HB 2090 HD 1, which establishes a zero-emission vehicle rebate program within the Public Utilities Commission (PUC) to enable low- and moderate-income families with greater access to zero-emission vehicles by providing a rebate on the pointof-sale purchase price of zero-emission vehicles.

Ulupono supports clean, alternative fuel transportation as ground transportation makes up a significant portion of Hawai'i's reliance on imported oil, and is the largest contributor to our State's greenhouse gas emissions. To streamline meeting State climate change goals and sustainability efforts, EV rebates at points of sale have proven to be effective at accelerating the adoption of zero-emission vehicles, especially for low- to moderate-income families.

Although the legislation favors a point-of-sale rebate, our interpretation of this legislation is that it is not a point-of-sale rebate program since applicants submit for a rebate <u>after</u> the purchase or lease. A genuine point-of-sale rebate is one that effectively decreases the purchase price at the time of sale so that the price paid is actually lower than otherwise would have been paid without a rebate. Rather than prescribe these details in the program, we recommend the Legislature simply state that the administrator must implement a point-of-sale rebate program, at least for any new vehicles purchased or leased. Overall, Ulupono supports a program that is as streamlined and user-friendly as possible for both the purchaser and the seller of any vehicle.

#### Investing in a Sustainable Hawai'i



We also ask the committee to consider adding e-bikes as a qualifying vehicle, particularly since the bill already includes scooters and mopeds. For those that electric automobiles are still economically out of reach, an e-bike can be a much more affordable option that is also less energy-intensive. They also have the added health benefit of allowing the users to incorporate more active transportation modes and be less sedentary in their trips.

As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that support the continued adoption of clean transportation throughout the islands.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs



To: The House Committee on Consumer Protection & Commerce CommitteeFrom: Sherry Pollack, 350Hawaii.orgDate: Wednesday, February 16, 2022, 2pm

## In strong support of HB2090 HD1

Aloha Chair Johanson, Vice Chair Kitigawa, and Consumer Protection & Commerce Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of HB2090 HD1** that would establish a zeroemission transportation rebate program within the Public Utilities Commission to enable low and moderate-income families greater access to zero-emission vehicles by providing a rebate on the pointof-sale purchase price of zero-emission vehicles (ZEVs).

The transportation sector contributes more to the climate crisis than any other sector in Hawaii. Providing incentives that promote the adoption of electric vehicles (EVs) is vital in our strategy for reducing emissions and meeting our emission reduction goals. However, upfront vehicle purchase costs remain a significant barrier to EV ownership in low to moderate income (LMI) households. Incentive programs, especially those with equity-focused components, can help overcome financial barriers and expand EV access for lower-income consumers.

HB2090 HD1 increases access to EVs, and will have long-lasting benefits for low-income households. EVs are less expensive to own and operate over time. This savings will be significant for low-income families that spend a greater share of their income on fuel.

The 'Decade of Action' calls for accelerating sustainable solutions to confront the climate crisis. Ensuring equitable EV access will accelerate Hawaii towards our clean transportation future. Allowing these rebates for EVs for LMI households is one very effective strategy to accomplish that.

Mahalo for the opportunity to testify in **strong support** of this important legislation.

Sherry Pollack Co-Founder, 350Hawaii.org



45 North King Street, Suite 500 • Honolulu, Hawai'i 96817 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the House Committee on Consumer Protection & Commerce Wednesday, February 16, 2022 at 2:00pm

Testimony on HB2090 HD1 relating to Zero Emission Transportation.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committees:

Thank you for the opportunity to provide comments on House Bill 2090 HD1. Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

Under the Hawai'i Public Utilities Commission's direction, Hawai'i Energy has been managing the electric vehicle charging station (EVCS) rebate program that was initially funded in 2019 by the State Legislature (Act 142), and in 2021, provided continued funding with the passage of House Bill 1142 (Act 75). The incentive was even highlighted by Plug-In America as a main reason why Hawai'i is ranked #14 in its *"Top 25 States Supporting the EV Driver"* report, released last year.<sup>1</sup>

Hawai'i Energy appreciates the efforts made by the State Legislature in this bill to knock down barriers of electric vehicle ownership for low- to moderate-income residents. We support the intent of this bill and encourage flexibility in the program administration, as this would be a new program and there would be the need to determine local market conditions to inform program structure.

Thank you for the opportunity to testify on House Bill 2090 HD1.

Sincerely, Brian Kealoha Executive Director Hawaiʻi Energy

<sup>&</sup>lt;sup>1</sup> *"Top 25 States Supporting the EV Driver,"* Plug-In America, February 2021 - <u>https://pluginamerica.org/policy/top-25-states-supporting-the-ev-driver/</u>

Hawaii Energy's mission is to empower island families and businesses to make smart energy choices that reduce energy consumption, save money and pursue a 100% clean energy future.

## HB-2090-HD-1

Submitted on: 2/15/2022 10:49:28 AM Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Remote Testimony Requested		
Ted Bohlen	Climate Protectors Hawaiʻi	Support	Yes		

#### Comments:

To: The Honorable Aaron Ling Johanson, Chair, the Honorable Lisa Kitagawa, Vice Chair, and members of the House Consumer Protection and Commerce Committee

From: Climate Protectors Hawai'i (by Ted Bohlen)

## Re: Hearing HB2090 HD1 RELATING TO ZERO EMISSION TRANSPORTATION.

Wednesday February 16, 2022, 2:00 p.m., by videoconference

Aloha Chair Johanson, Vice Chair Kitagawa, and members of the House Consumer Protection and Commerce Committee:

## Position: Climate Protectors Hawai'i STRONGLY SUPPORTS HB2090 HD1!

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. The **Climate Protectors Hawai'i STRONGLY SUPPORTS HB2090 HD1!** 

In order to mitigate the destructive future impacts of the climate emergency, Hawai'i needs to lead the world by transitioning from gasoline and diesel vehicles to zero-emission vehicles for ground transportation.

This bill would create rebate incentives to assist low and moderate income families and relevant non-profit organizations in purchasing new or pre-owned zero-emission vehicles. This would help Hawai'i accelerate its transition to clean transportation. This bill is needed environmentally and will benefit low and moderate income families by reducing the barriers to entry into this market. Please pass this bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)

Hawaii Electric Vehicle Association hawaiiev.org info@hawaiieva.com



February 15, 2022

## SUPPORT of HB2090 HD1 (RELATING TO ZERO EMISSION TRANSPORTATION)

Dear Chair Johanson, Vice-Chair Kitagawa, and Committee members,

#### Hawaii Electric Vehicle Association SUPPORT of HB2090 HD1.

We support HB2090 HD1 because it creates incentives for the purchase of new or pre-owned electric vehicles by low-middle income households and relevant non-profit organizations.

Electric vehicles have come down in price and have become more affordable. However, the cost can still be a significant barrier for low to middle-income families. Additionally, these households may not have the tax liability to leverage federal tax incentives that would, otherwise, offset the cost of a new vehicle.

The rebate proposed by this measure will enable more equitable access to electric vehicles and help Hawaii accelerate its transition to clean transportation. Of course, it will be essential to address the funding sources for this rebate program and ensure that it does not take away from other critical programs.

Sincerely,

Noel Morin President Hawaii EV Association

**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.

#### Hawaii EV Board

Noel Morin, President Nanette Vinton, Secretary and Treasurer Bill Bugbee – Director Tam Hunt - Director Sonja Kass – Director Rob Weltman – Director

#### Hawaii EV Clubs

Big Island EV Association Kauai EV Maui Nui EV Tesla Hawaii Club



Kauai Electric Vehicle Association 302 Makani Rd, Kapaa, HI 96746 808-652-0591

#### 2022/02/15

Dear Chair Johanson, Vice Chair Kitagawa, and CPC Committee members,

KauaiEV is in Support with recommendation of HB2090 HD1

I am writing on behalf of KauaiEV, a grassroots organization with over 100 members on Kauai. Our members are electric vehicle drivers and we believe that EVs are the personal transportation of the future. We are in **strong support of HB2090 HD1.** 

Purchase rebates for low- and moderate-income buyers are a great strategy for EV market transformation, and will also help struggling families to lower their transportation costs, as



EVs are cheaper to maintain and to fuel.

Rebates work. 42% to 58% of the rebate recipients in California and other states would not have purchased their clean vehicle without the rebate. This screenshot is from the Center for Sustainable Energy's presentation <u>"Data from Statewide Electric Vehicle Rebate Programs: Vehicles, Consumers, Impacts and Effectiveness"</u>.

Low income households tend towards purchasing used cars, as they are more affordable and it is great that this rebate program will also incentivize used vehicles.

Purchase rebates are preferable because they ensure equitable access and eliminate a car buyer's uncertainty over whether they will qualify for a tax credit and eliminate the wait.

The only **recommendation** we have is to **shorten the payment period**, or even advance the money, so it could be used as a downpayment. 60 days might be a long waiting time for people who have to budget carefully.

Mahalo, for your consideration,

Souja Kan

Sonja Kass, President KauaiEV

info@KauaiEV.org

FB @KauaiEV

Page 1 of 1



## HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 16, 2022, 2:00 P.M. Video Conference

## **TESTIMONY IN SUPPORT OF HB 2090 HD1**

Aloha Chair Johanson, Vice Chair Kitagawa, and Committee members:

Blue Planet Foundation **supports HB 2090 HD1**, which establishes a rebate program to expand access and affordability for low- and moderate-income families to purchase zero-emission vehicles and be part of our clean transportation future.

Although Hawai'i has made substantial progress on policies, programs, and actions to reduce burning fossil fuels in the electricity sector, we are falling short on decarbonizing our ground transportation sector. Just under 2% of all registered vehicles in Hawai'i are electric vehicles.<sup>1</sup> This number is expected to rise exponentially as more electric vehicles come to market, vehicle ranges increase, and the cost of electric vehicles decreases. The number of registered electric vehicles in Hawai'i increased more than 30% during 2021, while the number of registered gasoline-powered vehicles has decreased.<sup>2</sup>

Yet purchasing an electric vehicle—or any new car in general—is financially out of reach for many Hawai'i residents. According to Aloha United Way, nearly half of Hawai'i's families were living paycheck to paycheck even before the COVID-19 pandemic.<sup>3</sup> House Bill 2090 can expand access to the benefits of a clean transportation future to more working families. Unlike a dozen other states that offer financial incentives to make EVs more affordable to a wider range of residents, Hawai'i offers no such incentives.

Blue Planet supports funding the program through Hawai'i's existing barrel tax. It makes sense to tap the source of our problem—imported fossil fuels—to help fund clean transportation solutions.

Thank you for the opportunity to provide testimony.

<sup>&</sup>lt;sup>1</sup> DBEDT Monthly Energy Trends, December 2021 (http://dbedt.hawaii.gov/economic/energy-trends-2/).

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> ALICE: A Study of Financial Hardship in Hawai'i, Aloha United Way, https://www.auw.org/alice.



## TESTIMONY BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

## HB 2090 HD 1

#### **Relating to Zero Emission Transportation**

February 16, 2022 2:00 PM, Agenda Item #18 State Capitol, VIDEO CONFERENCE

June Chee Program Manager, Electrification of Transportation Hawaiian Electric Company

Aloha Chair Johanson, Vice Chair Kitagawa, and Committee Members,

My name is June Chee, and I am testifying on behalf of Hawaiian Electric

Company in support of HB 2090 HD 1, as it seeks to enable families in our community

greater access to zero-emission vehicles by establishing a low- to moderate-income

(LMI) zero-emission vehicle rebate program. Creating financial incentives specifically for

local non-profits and LMI residents will help to ensure equitable adoption of new or used

zero-emission vehicles and greater distribution of transportation resources across

Hawaii.

Hawaiian Electric Company has a focused support and momentum for the electrification of transportation by providing programs and initiatives such as the Charge Up eBus make ready pilot, electric vehicle (EV) specific rates to encourage daytime charging, a proposal to expand our public charging network, and our recently approved Charge Ready Hawaii pilot that will provide make ready infrastructure for EV charging systems to publicly available commercial properties, fleet owners, and multi-unit

dwellings. These programs were designed to provide products, offerings, and benefits to all our customers and anticipate the charging needs for future EV drivers and riders such as low- to moderate-income families and families in rural communities across our service territory.

As the largest provider of EV fast charging in the state, Hawaiian Electric remains committed to EV strategies that are sustainable and help create a bridge to a cleaner, more equitable future. Hawaiian Electric is in strong support of this bill as it is pivotal for the continued progress already achieved in decarbonizing Hawaii's ground transportation. Thank you for this opportunity to testify.



DATE: February 14, 2022

TO: Representative Aaron Johanson Chair, Committee on Consumer Protection and Commerce

FROM: Tiffany Yajima

#### RE: H.B. 2090 – Relating to Zero Emission Transportation Hearing Date: Wednesday, February 16, 2022 at 2 p.m. Conference Room: Video Conference

Dear Chair Johanson, Vice Chair Kitagawa, and Members of the Committee on Consumer Protection and Commerce:

On behalf of the Alliance for Automotive Innovation ("Auto Innovators") we submit this testimony in **support** of H.B. 2090.

The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

Hawaii has one of the highest rates of adoption of passenger electric vehicles in the nation with more than 17,700 passenger electric vehicles registered in the state, and yet this number represents only about 5.7% percent of the total number of registered vehicles in Hawaii.

Electric vehicle rebate programs have shown to be effective in encouraging consumers to purchase electric vehicles by bringing down the relatively higher cost of an electric vehicle compared to a gasoline-powered vehicle. Currently, there are 14 states that provide consumer rebates on the purchase or lease of electric vehicles, including California, Massachusetts, Connecticut, New York, New Jersey and Oregon. In California, 54% of EV purchasers surveyed indicated that they would not have purchased an electric vehicle without the state rebate.

In fact, data from states with EV rebates indicates that most EV rebates go to consumers with moderate incomes and toward moderately-priced vehicles. Because the price of electric vehicles is higher than the price of gasoline-powered vehicles, this financial assistance would make electric vehicles more affordable to low- and moderate-income individuals and, overall, would encourage greater adoption of passenger electric vehicles in the state.

The Auto Innovators notes that this rebate is funded by the barrel tax, revenue from which is intended to advance clean energy programs for the state. The Auto Innovators support expanding the use of barrel tax revenue to fund a zero-emission vehicle rebate program and would be interested in working with the Public Utilities Commission, the State Energy Office, the program administrator, and other zero-emission vehicle stakeholders to advance this program for the state.

Thank you for the opportunity to submit testimony in support of this measure.



Written Testimony by David H. Rolf, Executive Director, Hawaii Automobile Dealers Association

> for the COMMITTEE ON COMMERCE & CONSUMER PROTECTION

Wednesday, February 16, 2022 Time 2 p.m. State Capitol, via Videoconference providing testimony **OPPOSED** to HB2090 HD1

**RELATING TO ENERGY** 

Chair Johanson, Vice Chair Kitagawa and members of the committee

HADA supports the transition to electric vehicles and the attempt to address equity issues in the electric vehicle purchase, but some of the language contained in HB2090 HD1 is concerning and is NOT supported by HADA.

The definitions are inconsistent with HRS Chapter 437 and the administrative process is vague. The bill arguably may permit people to purchase vehicles out of state (producing no GET) and ship them to Hawaii to qualify for the rebate.

In Chapter 437, "the legislature declares that it is necessary to regulate and to license motor vehicle manufacturers, distributors, dealers, salespersons, and auctions in the State in order to prevent frauds, impositions, and other abuses against its residents and to protect and preserve the economy and the transportation system of the State." HADA testimony on HB2090 HD1, page 2

The bill language currently states....

"Vehicle dealer" means a "new vehicle dealer" or "used vehicle dealer" as defined in section 437-1.1, or an appropriate entity as identified by the administrator of the

program.

.HADA's concern is that the language in this measure raises the possibility that an unlicensed "appropriate entity" will be given the authorization to sell motor vehicles in the state. In discussions with The State Energy Office HADA has requested that the term "appropriate entity" be deleted from the bill's language.

**Requested amendment:** HADA requests that the "vehicle dealer" sentence with its reference to "appropriate entity" be deleted, and replaced with:

"Purchases of motor vehicles made under the provisions of the zero-emission vehicle rebate program by qualifying Hawaii residents or qualifying Hawaii non-profit organizations, shall be from a "new vehicle dealer" or "used vehicle dealer as defined in section 437-11."

With regard to the bill language's vague references to some important terms:

## 1. There is a need to define the bill's vague reference to "low- to moderateincome" purchasers

If should be noted that if 400% of the poverty level were to define "qualifying purchasers" then the following chart would apply, with the extreme right column representing qualifying 400% of poverty-level income amounts.

A family of four, for example, with a household income of \$127,680 would qualify. The yellow bar is the poverty level income for Hawaii; 400% of the poverty level is shown at the far right across from household number "4."

(see next page)

## HADA testimony on HB2090, HD1 page 2

2022 Poverty Guidelines: Hawaii

Household																				
Family Size	25%	50%	75%	100%	125%	133%	135%	138%	150%	175%	185%	200%	225%	250%	275%	300%	325%	350%	375%	400
1	\$3,908	\$7,815	\$11,723	\$15,630	\$19,538	\$20,788	\$21,101	\$21,569	\$23,445	\$27,353	\$28,916	\$31,260	\$35,168	\$39,075	\$42,983	\$46,890	\$50,798	\$54,705	\$58,613	\$62,52
2	\$5,265	\$10,530	\$15,795	\$21,060	\$26,325	\$28,010	\$28,431	\$29,063	\$31,590	\$36,855	\$38,961	\$42,120	\$47,385	\$52,650	\$57,915	\$63,180	\$68,445	\$73,710	\$78,975	\$84,24
3	\$6,623	\$13,245	\$19,868	\$26,490	\$33,113	\$35,232	\$35,762	\$36,556	\$39,735	\$46,358	\$49,007	\$52,980	\$59,603	\$66,225	\$72,848	\$79,470	\$86,093	\$92,715	\$99,338	\$105,96
4	\$7,980	\$15,960	\$23,940	\$31,920	\$39,900	\$42,454	\$43,092	\$44,050	\$47,880	\$55,860	\$59,052	\$63,840	\$71,820	\$79,800	\$87,780	\$95,760	\$103,740	\$111,720	\$119,700	\$127,68
5	\$9,338	\$18,675	\$28,013	\$37,350	\$46,688	\$49,676	\$50,423	\$51,543	\$56,025	\$65,363	\$69,098	\$74,700	\$84,038	\$93,375	\$102,713	\$112,050	\$121,388	\$130,725	\$140,063	\$149,40
6	\$10,695	\$21,390	\$32,085	\$42,780	\$53,475	\$56,897	\$57,753	\$59,036	\$64,170	\$74,865	\$79,143	\$85,560	\$96,255	\$106,950	\$117,645	\$128,340	\$139,035	\$149,730	\$160,425	\$171,12
7	\$12,053	\$24,105	\$36,158	\$48,210	\$60,263	\$64,119	\$65,084	\$66,530	\$72,315	\$84,368	\$89,189	\$96,420	\$108,473	\$120,525	\$132,578	\$144,630	\$156,683	\$168,735	\$180,788	\$192,84
8	\$13,410	\$26,820	\$40,230	\$53,640	\$67,050	\$71,341	\$72,414	\$74,023	\$80,460	\$93,870	\$99,234	\$107,280	\$120,690	\$134,100	\$147,510	\$160,920	\$174,330	\$187,740	\$201,150	\$214,56
9	\$14,768	\$29,535	\$44,303	\$59,070	\$73,838	\$78,563	\$79,745	\$81,517	\$88,605	\$103,373	\$109,280	\$118,140	\$132,908	\$147,675	\$162,443	\$177,210	\$191,978	\$206,745	\$221,513	\$236,28
10	\$16,125	\$32,250	\$48,375	\$64,500	\$80,625	\$85,785	\$87,075	\$89,010	\$96,750	\$112,875	\$119,325	\$129,000	\$145,125	\$161,250	\$177,375	\$193,500	\$209,625	\$225,750	\$241,875	\$258,00
11	\$17,483	\$34,965	\$52,448	\$69,930	\$87,413	\$93,007	\$94,406	\$96,503	\$104,895	\$122,378	\$129,371	\$139,860	\$157,343	\$174,825	\$192,308	\$209,790	\$227,273	\$244,755	\$262,238	\$279,72
12	\$18,840	\$37,680	\$56,520	\$75,360	\$94,200	\$100,229	\$101,736	\$103,997	\$113,040	\$131,880	\$139,416	\$150,720	\$169,560	\$188,400	\$207,240	\$226,080	\$244,920	\$263,760	\$282,600	\$301,44
13	\$20,198	\$40,395	\$60,593	\$80,790	\$100,988	\$107,451	\$109,067	\$111,490	\$121,185	\$141,383	\$149,462	\$161,580	\$181,778	\$201,975	\$222,173	\$242,370	\$262,568	\$282,765	\$302,963	\$323,16
14	\$21,555	\$43,110	\$64,665	\$86,220	\$107,775	\$114,673	\$116,397	\$118,984	\$129,330	\$150,885	\$159,507	\$172,440	\$193,995	\$215,550	\$237,105	\$258,660	\$280,215	\$301,770	\$323,325	\$344,88
								Per Mor	nth											
Household/								Per Mor	<u>nth</u>											
	25%	50%	75%	100%	125%	133%	135%	<u>Per Mor</u> 138%	<u>150%</u>	175%	185%	200%	225%	250%	275%	300%	325%	350%	375%	400
						<b>133%</b> \$1,732				<b>175%</b> \$2,279	<b>185%</b> \$2,410	<b>200%</b> \$2,605	<b>225%</b> \$2,931	<b>250%</b> \$3,256	<b>275%</b> \$3,582	<b>300%</b> \$3,908	<b>325%</b> \$4,233	<b>350%</b> \$4,559	<b>375%</b> \$4,884	
Household/ Family Size 1 2	25%	50%	75%	100%	125%		135%	138%	150%											\$5,21
Family Size	<b>25%</b> \$326	<b>50%</b> \$651	<b>75%</b> \$977	100% \$1,303	<b>125%</b> \$1,628	\$1,732	<b>135%</b> \$1,758	<b>138%</b> \$1,797	<b>150%</b> \$1,954	\$2,279	\$2,410	\$2,605	\$2,931	\$3,256	\$3,582	\$3,908	\$4,233	\$4,559	\$4,884	\$5,21 \$7,02
Family Size	<b>25%</b> \$326 \$439	<b>50%</b> \$651 \$878	<b>75%</b> \$977 \$1,316	<b>100%</b> \$1,303 \$1,755	<b>125%</b> \$1,628 \$2,194	\$1,732 \$2,334	<b>135%</b> \$1,758 \$2,369	<b>138%</b> \$1,797 \$2,422	<b>150%</b> \$1,954 \$2,633	\$2,279 \$3,071	\$2,410 \$3,247	\$2,605 \$3,510	\$2,931 \$3,949	\$3,256 \$4,388	\$3,582 \$4,826	\$3,908 \$5,265	\$4,233 \$5,704	\$4,559 \$6,143	\$4,884 \$6,581	\$5,21 \$7,02 \$8,83
Family Size	<b>25%</b> \$326 \$439 \$552	<b>50%</b> \$651 \$878 \$1,104	<b>75%</b> \$977 \$1,316 \$1,656	<b>100%</b> \$1,303 \$1,755 \$2,208	<b>125%</b> \$1,628 \$2,194 \$2,759	\$1,732 \$2,334 \$2,936	<b>135%</b> \$1,758 \$2,369 \$2,980	<b>138%</b> \$1,797 \$2,422 \$3,046	<b>150%</b> \$1,954 \$2,633 \$3,311	\$2,279 \$3,071 \$3,863	\$2,410 \$3,247 \$4,084	\$2,605 \$3,510 \$4,415	\$2,931 \$3,949 \$4,967	\$3,256 \$4,388 \$5,519	\$3,582 \$4,826 \$6,071	\$3,908 \$5,265 \$6,623	\$4,233 \$5,704 \$7,174	\$4,559 \$6,143 \$7,726	\$4,884 \$6,581 \$8,278	\$5,21 \$7,02 \$8,83 \$10,64
Family Size	<b>25%</b> \$326 \$439 \$552 \$665	<b>50%</b> \$651 \$878 \$1,104 \$1,330	<b>75%</b> \$977 \$1,316 \$1,656 \$1,995	100% \$1,303 \$1,755 \$2,208 \$2,660	<b>125%</b> \$1,628 \$2,194 \$2,759 \$3,325	\$1,732 \$2,334 \$2,936 \$3,538	<b>135%</b> \$1,758 \$2,369 \$2,980 \$3,591	<b>138%</b> \$1,797 \$2,422 \$3,046 \$3,671	<b>150%</b> \$1,954 \$2,633 \$3,311 \$3,990	\$2,279 \$3,071 \$3,863 \$4,655	\$2,410 \$3,247 \$4,084 \$4,921	\$2,605 \$3,510 \$4,415 \$5,320	\$2,931 \$3,949 \$4,967 \$5,985	\$3,256 \$4,388 \$5,519 \$6,650	\$3,582 \$4,826 \$6,071 \$7,315	\$3,908 \$5,265 \$6,623 \$7,980	\$4,233 \$5,704 \$7,174 \$8,645	\$4,559 \$6,143 \$7,726 \$9,310	\$4,884 \$6,581 \$8,278 \$9,975	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45
Family Size	<b>25%</b> \$326 \$439 \$552 \$665 \$778	<b>50%</b> \$651 \$878 \$1,104 \$1,330 \$1,556	<b>75%</b> \$977 \$1,316 \$1,656 \$1,995 \$2,334	100% \$1,303 \$1,755 \$2,208 \$2,660 \$3,113	<b>125%</b> \$1,628 \$2,194 \$2,759 \$3,325 \$3,891	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140	<b>135%</b> \$1,758 \$2,369 \$2,980 \$3,591 \$4,202	<b>138%</b> \$1,797 \$2,422 \$3,046 \$3,671 \$4,295	<b>150%</b> \$1,954 \$2,633 \$3,311 \$3,990 \$4,669	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894	\$4,884 \$6,581 \$8,278 \$9,975 \$11,672	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26
Family Size	<b>25%</b> \$326 \$439 \$552 \$665 \$778 \$891	<b>50%</b> \$651 \$878 \$1,104 \$1,330 \$1,556 \$1,783	<b>75%</b> \$977 \$1,316 \$1,656 \$1,995 \$2,334 \$2,674	100% \$1,303 \$1,755 \$2,208 \$2,660 \$3,113 \$3,565	<b>125%</b> \$1,628 \$2,194 \$2,759 \$3,325 \$3,891 \$4,456	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140 \$4,741	<b>135%</b> \$1,758 \$2,369 \$2,980 \$3,591 \$4,202 \$4,813	<b>138%</b> \$1,797 \$2,422 \$3,046 \$3,671 \$4,295 \$4,920	<b>150%</b> \$1,954 \$2,633 \$3,311 \$3,990 \$4,669 \$5,348	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447 \$6,239	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758 \$6,595	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225 \$7,130	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003 \$8,021	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781 \$8,913	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559 \$9,804	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338 \$10,695	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116 \$11,586	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894 \$12,478	\$4,884 \$6,581 \$8,278 \$9,975 \$11,672 \$13,369	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26 \$16,07
Family Size	<b>25%</b> \$326 \$439 \$552 \$665 \$778 \$891 \$1,004	<b>50%</b> \$651 \$878 \$1,104 \$1,330 \$1,556 \$1,783 \$2,009	<b>75%</b> \$977 \$1,316 \$1,656 \$1,995 \$2,334 \$2,674 \$3,013	100% \$1,303 \$1,755 \$2,208 \$2,660 \$3,113 \$3,565 \$4,018	<b>125%</b> \$1,628 \$2,194 \$2,759 \$3,325 \$3,891 \$4,456 \$5,022	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140 \$4,741 \$5,343	135% \$1,758 \$2,369 \$2,980 \$3,591 \$4,202 \$4,813 \$5,424	<b>138%</b> \$1,797 \$2,422 \$3,046 \$3,671 \$4,295 \$4,920 \$5,544	<b>150%</b> \$1,954 \$2,633 \$3,311 \$3,990 \$4,669 \$5,348 \$6,026	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447 \$6,239 \$7,031	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758 \$6,595 \$7,432	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225 \$7,130 \$8,035	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003 \$8,021 \$9,039	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781 \$8,913 \$10,044	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559 \$9,804 \$11,048	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338 \$10,695 \$12,053	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116 \$11,586 \$13,057	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894 \$12,478 \$14,061	\$4,884 \$6,581 \$8,278 \$9,975 \$11,672 \$13,369 \$15,066	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26 \$16,07 \$17,88
Family Size 1 2 3 4 5 6 7 8	<b>25%</b> \$326 \$439 \$552 \$665 \$778 \$891 \$1,004 \$1,118	<b>50%</b> \$651 \$878 \$1,104 \$1,330 \$1,556 \$1,783 \$2,009 \$2,235	<b>75%</b> \$977 \$1,316 \$1,656 \$1,995 \$2,334 \$2,674 \$3,013 \$3,353	100% \$1,303 \$1,755 \$2,208 \$2,660 \$3,113 \$3,565 \$4,018 \$4,470	125% \$1,628 \$2,194 \$2,759 \$3,325 \$3,891 \$4,456 \$5,022 \$5,588	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140 \$4,741 \$5,343 \$5,945	135% \$1,758 \$2,369 \$2,980 \$3,591 \$4,202 \$4,813 \$5,424 \$6,035	138% \$1,797 \$2,422 \$3,046 \$3,671 \$4,295 \$4,920 \$5,544 \$6,169	<b>150%</b> \$1,954 \$2,633 \$3,311 \$3,990 \$4,669 \$5,348 \$6,026 \$6,026 \$6,705	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447 \$6,239 \$7,031 \$7,823	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758 \$6,595 \$7,432 \$8,270	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225 \$7,130 \$8,035 \$8,940	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003 \$8,021 \$9,039 \$10,058	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781 \$8,913 \$10,044 \$11,175	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559 \$9,804 \$11,048 \$12,293	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338 \$10,695 \$12,053 \$13,410	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116 \$11,586 \$13,057 \$14,528	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894 \$12,478 \$14,061 \$15,645	\$4,884 \$6,581 \$8,278 \$9,975 \$11,672 \$13,369 \$15,066 \$16,763	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26 \$16,07 \$17,88 \$19,69
Family Size 1 2 3 4 5 6 7 8 9	25% \$326 \$439 \$552 \$665 \$778 \$891 \$1,004 \$1,118 \$1,231	<b>50%</b> \$651 \$878 \$1,104 \$1,330 \$1,556 \$1,783 \$2,009 \$2,235 \$2,461	<b>75%</b> \$977 \$1,316 \$1,656 \$1,995 \$2,334 \$2,674 \$3,013 \$3,353 \$3,692	100% \$1,303 \$1,755 \$2,208 \$2,660 \$3,113 \$3,565 \$4,018 \$4,470 \$4,923	125% \$1,628 \$2,194 \$3,259 \$3,891 \$4,456 \$5,022 \$5,588 \$6,153	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140 \$4,741 \$5,343 \$5,945 \$6,547	135% \$1,758 \$2,369 \$2,980 \$3,591 \$4,202 \$4,813 \$5,424 \$6,035 \$6,645	138% \$1,797 \$2,422 \$3,046 \$3,671 \$4,295 \$4,920 \$5,544 \$6,169 \$6,793	150% \$1,954 \$2,633 \$3,311 \$3,990 \$4,669 \$5,348 \$6,026 \$6,705 \$7,384	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447 \$6,239 \$7,031 \$7,823 \$8,614	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758 \$6,595 \$7,432 \$8,270 \$9,107	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225 \$7,130 \$8,035 \$8,940 \$9,845	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003 \$8,021 \$9,039 \$10,058 \$11,076	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781 \$8,913 \$10,044 \$11,175 \$12,306	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559 \$9,804 \$11,048 \$12,293 \$13,537	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338 \$10,695 \$12,053 \$13,410 \$14,768	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116 \$11,586 \$13,057 \$14,528 \$15,998	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894 \$12,478 \$14,061 \$15,645 \$17,229	\$4,884 \$6,581 \$8,278 \$9,975 \$11,672 \$13,369 \$15,066 \$16,763 \$18,459	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26 \$14,26 \$16,07 \$17,88 \$19,69 \$21,50
Family Size 1 2 3 4 5 6 7 8 9 10	25% \$326 \$439 \$552 \$778 \$891 \$1,004 \$1,118 \$1,231 \$1,344	<b>50%</b> \$651 \$878 \$1,104 \$1,556 \$1,783 \$2,009 \$2,235 \$2,461 \$2,688	<b>75%</b> \$977 \$1,316 \$1,955 \$2,334 \$2,674 \$3,013 \$3,353 \$3,692 \$4,031	100% \$1,303 \$1,755 \$2,208 \$3,113 \$3,565 \$4,018 \$4,470 \$4,923 \$5,375	125% \$1,628 \$2,194 \$2,759 \$3,891 \$4,456 \$5,022 \$5,588 \$6,153 \$6,719	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140 \$4,741 \$5,343 \$5,945 \$6,547 \$7,149	135% \$1,758 \$2,369 \$2,980 \$3,591 \$4,202 \$4,813 \$5,424 \$6,035 \$6,645 \$7,256	<b>138%</b> \$1,797 \$2,422 \$3,046 \$3,671 \$4,295 \$4,920 \$5,544 \$6,169 \$6,793 \$7,418	<b>150%</b> \$1,954 \$2,633 \$3,311 \$3,990 \$5,348 \$6,026 \$6,705 \$7,384 \$8,063	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447 \$6,239 \$7,031 \$7,823 \$8,614 \$9,406	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758 \$6,595 \$7,432 \$8,270 \$9,107 \$9,944	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225 \$7,130 \$8,035 \$8,940 \$9,845 \$10,750	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003 \$8,021 \$9,039 \$10,058 \$11,076 \$12,094	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781 \$8,913 \$10,044 \$11,175 \$12,306 \$13,438	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559 \$9,804 \$11,048 \$12,293 \$13,537 \$14,781	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338 \$10,695 \$12,053 \$13,410 \$14,768 \$16,125	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116 \$11,586 \$13,057 \$14,528 \$15,998 \$17,469	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894 \$12,478 \$14,061 \$15,645 \$17,229 \$18,813	\$4,884 \$6,581 \$8,278 \$11,672 \$13,369 \$15,066 \$16,763 \$18,459 \$20,156	\$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26 \$14,26 \$16,07 \$17,88 \$19,69 \$21,50 \$22,31
Family Size 1 2 3 4 5 6 7 8 9 10 11	<b>25%</b> \$326 \$439 \$552 \$665 \$778 \$891 \$1,004 \$1,118 \$1,231 \$1,344 \$1,457	<b>50%</b> \$651 \$878 \$1,104 \$1,330 \$1,556 \$1,783 \$2,009 \$2,235 \$2,461 \$2,688 \$2,914	<b>75%</b> \$977 \$1,316 \$1,656 \$2,334 \$2,674 \$3,013 \$3,353 \$3,692 \$4,031 \$4,371	100% \$1,303 \$1,755 \$2,208 \$2,660 \$3,113 \$3,565 \$4,018 \$4,470 \$4,923 \$5,375 \$5,828	125% \$1,628 \$2,194 \$2,759 \$3,325 \$3,891 \$4,456 \$5,588 \$6,153 \$6,719 \$7,284	\$1,732 \$2,334 \$2,936 \$3,538 \$4,140 \$4,741 \$5,343 \$5,945 \$6,547 \$7,149 \$7,751	135% \$1,758 \$2,369 \$3,591 \$4,202 \$4,813 \$5,424 \$6,035 \$6,645 \$7,256 \$7,867	138% \$1,797 \$2,422 \$3,046 \$3,671 \$4,295 \$4,920 \$5,544 \$6,169 \$6,793 \$7,418 \$8,042	150% \$1,954 \$2,633 \$3,311 \$3,990 \$4,669 \$5,348 \$6,026 \$6,705 \$7,384 \$8,063 \$8,741	\$2,279 \$3,071 \$3,863 \$4,655 \$5,447 \$6,239 \$7,031 \$7,823 \$8,614 \$9,406 \$10,198	\$2,410 \$3,247 \$4,084 \$4,921 \$5,758 \$6,595 \$7,432 \$8,270 \$9,107 \$9,944 \$10,781	\$2,605 \$3,510 \$4,415 \$5,320 \$6,225 \$7,130 \$8,035 \$8,940 \$9,845 \$10,750 \$11,655	\$2,931 \$3,949 \$4,967 \$5,985 \$7,003 \$8,021 \$9,039 \$10,058 \$11,076 \$12,094 \$13,112	\$3,256 \$4,388 \$5,519 \$6,650 \$7,781 \$8,913 \$10,044 \$11,175 \$12,306 \$13,438 \$14,569	\$3,582 \$4,826 \$6,071 \$7,315 \$8,559 \$9,804 \$11,048 \$12,293 \$13,537 \$14,781 \$16,026	\$3,908 \$5,265 \$6,623 \$7,980 \$9,338 \$10,695 \$12,053 \$13,410 \$14,768 \$16,125 \$17,483	\$4,233 \$5,704 \$7,174 \$8,645 \$10,116 \$11,586 \$13,057 \$14,528 \$15,998 \$17,469 \$18,939	\$4,559 \$6,143 \$7,726 \$9,310 \$10,894 \$12,478 \$14,061 \$15,645 \$17,229 \$18,813 \$20,396	\$4,884 \$6,581 \$8,278 \$11,672 \$13,369 \$15,066 \$16,763 \$18,459 \$20,156 \$21,853	4009 \$5,21 \$7,02 \$8,83 \$10,64 \$12,45 \$14,26\$ \$14,26\$\$14,26\$ \$14,26\$ \$14,26\$\$14,26\$ \$14,26\$ \$14,26\$\$14,26\$ \$14,26\$\$14,26\$ \$14,26\$\$14,26\$\$14,26\$ \$14,26\$\$14,26\$\$14,26\$\$14,26

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# There is a need to define the bill's vague reference to "zero-emission vehicle."

A HADA check of other states' statutes and general usage of the term turned up more than a half dozen definitions. One ZEV definition found, for example, is

**Zero Emission Vehicle (ZEV)** means <u>battery electric vehicles</u>, <u>plug</u>in <u>hybrid</u> electric vehicles, and hydrogen <u>fuel cell</u> vehicles.

## There is a need to define the bill's vague reference to "qualifying vehicles."

If the standard relating to the price of the qualifying vehicles is based on Manufacturer Suggested Retail Price (MSRP), then the term "original" would be needed, since USED vehicles do not carry a MSRP.

Also, if "up to \$50,000 original MSRP" were to be listed as the price for a vehicle to qualify for the program, many of the current battery electric and hydrogen fuel cell electric vehicles will not qualify. Many of the vehicles with "original MSRP of greater than \$50,000" would NOT qualify in the USED category for purchase under this program even though their current used vehicle sale price would be \$40,000, for example.

## HADA testimony on HB2090 HD1 page 3

## There is a need to define the bill's vague reference to EV "rebate."

If the amount of the rebate were to be \$10,000, for example, under the current funding proposal, only about 100 vehicle purchases would be funded under this program. Outside of the program, some 5,000 zero-emission vehicle purchases and hydrogen fuel cell vehicle purchases are projected for the coming year.

# There is a need to define more clearly the requirement for the manufacturer's warranty as it applies to a USED vehicle under this program.

Buying a used car with the remaining factory warranty means that it is covered by whatever portion of the warranty remains as if the second buyer were the original owner. There is one important provision, however, to note in most factory warranties, that the warranty is based on the in-service date and not the model year. If one buys a 2019 model-year car, with a 3-year / 36,000 mile warranty in November of 2018, the clock begins ticking the minute one takes possession.

Under this bill's proposed program, a used vehicle, that is just a little over 1 year old, with an original 36-month factory warranty would NOT qualify because it would have less than 24 months remaining on the factory warranty.

## In conclusion....

While there are many questions and concerns that have been raised about HB2090 HD1, HADA believes that working together on the larger question of the transition to renewable fuel vehicles, involves issues that all can be resolved.

We appreciate the opportunity to testify expressing our deep concerns about this bill language's possible circumvention of the motor vehicle licensing law, and the many vague terms used in this bill.

And that is why, HADA requests the establishment of a ground transportation working group to resolve these questions during the interim before next year's legislative session.

#### 2. HOUSE OF REPRESENTATIVES THIRTY-FIRST LEGISLATURE, 2022 STATE OF HAWAII

## H.B. NO. <sup>2090</sup> H.D. 1

# A BILL FOR AN ACT

RELATING TO ZERO EMISSION TRANSPORTATION.

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

SECTION 1. The legislature finds that the electric vehicle charging system rebate program, established pursuant to Act 142, Session Laws of Hawaii 2019, as amended by Act 75, Session Laws of Hawaii 2021, provides rebates for the installation of electric vehicle charging systems in priority locations, including for multi-unit dwellings, workplaces, and commercial areas, and in places that serve vehicle fleets. The rebate program has proven to be very successful, with approximately one hundred forty new charging systems installed or in the pipeline that have been facilitated by the availability of these rebates. The legislature further finds that the life-cycle costs of zeroemission vehicles are lower than internal combustion vehicles, including maintenance and fueling. According to the National Travel Household Survey Workshop, while access to public transit and other forms of mobility are increasing, households below the poverty level used privately owned vehicles for almost three-quarters of their trips. Increasing access to zero-emission vehicles allows these families to lower daily and monthly costs while decreasing exposure to vehicle emissions and particulate matter and advancing the State's overall energy and affordability goals.

The legislature also finds that the range of zero-emission vehicles has increased. According to the United States Department of Energy's Office of Energy Efficiency and Renewable Energy, for the first time, the median range of all of the electric vehicles offered for sale or lease in the United States in 2020 was more than two hundred fifty miles per charge. Charging infrastructure access throughout the State is expected to increase through the use of federal funds such as the soon to be released Infrastructure Investment and Jobs Act, and state funds allocated through Act 75, Session Laws of Hawaii 2021.

The legislature additionally finds that it is critically important to encourage behavior that promotes lower emissions, reduces congestion, and enhances mobility, while encouraging the adoption of zero-emission vehicles for private and public use. An important step toward the decarbonization of ground transportation is to support equal access to new technologies and services, such as electric vehicles, which decrease the energy intensity of mobility and have the potential to greatly benefit low- to moderate-income and underserved populations who would most benefit from the lower maintenance and life-cycle costs. Therefore, it is desirable to consolidate rebate programs to reduce administrative costs and confusion on how to access rebates.

The purpose of this Act is to establish a rebate program within the public utilities commission for the purchase of zero-emission vehicles and to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the pointof-sale purchase price of zero-emission vehicles.

SECTION 2. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

## "<u>§269-</u> Low- to moderate-income zero-emission vehicle rebate program. (a) The public utilities commission, in consultation with zero-emission vehicle stakeholders and the state energy office, shall administer a low- to moderate-income zero-emission vehicle rebate program that incentivizes the purchase of new or used qualifying vehicles and may contract with a third-party administrator pursuant to section 269-73 to operate and manage the rebate program.

(b) The public utilities commission may specify design features for the program, including procedures to prioritize available moneys for specific qualifying vehicles and limitations on the number of rebates available for each type of qualifying vehicle.

(c) Rebates under the program shall be made from moneys credited to or deposited in the zero-emission vehicle subaccount. A rebate may not be made unless there are sufficient moneys available in the subaccount to make the rebate.

(d) The public utilities commission shall prescribe the rebate application procedure for purchasers and lessees.

(e) The rebate amount for qualifying vehicles under the low- to moderate-income zero-emission vehicle rebate program shall be set annually by the program administrator. (f) An applicant may be eligible for a rebate if the applicant meets one of the following criteria:

- (1) The applicant is a Hawaii resident who is a member of a household having an income equal to or less than the income threshold set by the program administrator; or
- (2) The applicant is a nonprofit organization registered as a 501(c)(3) organization, either based in Hawaii or with a current Hawaii-based affiliate, that provides health, dental, social, financial, energy conservation, or other assistive services to low- or moderate-income households in Hawaii. Nonprofit organizations shall be limited to five rebates per entity per calendar year.

(g) To be eligible for a rebate, an applicant requesting a rebate under the program shall:

- (1) Purchase a qualifying vehicle or lease a qualifying vehicle for a minimum term of twenty-four months;
- (2) Provide proof of intent to use the qualifying vehicle primarily on the public highways of the State, which may be satisfied by providing proof of registration of the qualifying vehicle in the State;
- (3) Submit an application for a rebate to the program administrator within six months after the date of purchase of the qualifying vehicle or six months after the date the lease of the qualifying vehicle begins; and
- (4) Retain registration of the qualifying vehicle for a minimum of twenty-four consecutive months after the date of purchase or the date the lease begins.

(h) Rebate recipients may be requested to participate in ongoing research efforts.

(i) The program administrator shall work to ensure timely payment of rebate program rebates with a goal of paying rebates within sixty days of receiving a completed application with all required supporting documentation for a low- to moderate-income zero-emission vehicle rebate.

(j) The program administrator may offer expanded financing mechanisms for program participants, including a loan or loan-loss reserve credit enhancement program to increase consumer access to new or used light-duty zero-emission vehicles.

(k) As used in this section:

"Light-duty motor vehicle" shall have the same meaning as in section 26-6.

"Light-duty zero-emission vehicle" means a light-duty motor vehicle that is also a zero-emission vehicle.

"Moped" shall have the same meaning as in section 291C-1.
"Motor scooter" shall have the same meaning as in section 291C-1.
"Motorcycle" shall have the same meaning as in section 291C-1.
"Neighborhood electric vehicle" shall have the same meaning as in section 291C-1.

"New" means a qualifying vehicle that:

- (1) Has not previously been sold to any person except a distributor, wholesaler, or dealer for resale, except where the vehicle has not left the dealer's possession after the sale to a consumer;
- (2) Has not previously been registered or titled in the name of a consumer, except where the vehicle has not left the dealer's possession after the sale to a consumer; and
- (3) Has not been driven more than five hundred miles.
  "Program administrator" means the public utilities commission or

the third-party administrator contracted by the public utilities

#### commission pursuant to section 269-73 to operate and manage the rebate

#### program.

"Qualifying vehicle" means a motor vehicle that:

- (1) Is a:
  - (A) New or used light-duty zero-emission vehicle;
  - (B) New neighborhood electric vehicle;
  - (C) New zero-emission motorcycle;
  - (D) <u>New zero-emission motor scooter;</u>
  - (E) <u>New zero-emission moped;</u>
- (2) Has a manufacturer's suggested retail price of less than the maximum set by the program administrator;
- (3) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least twenty-four months from the date of purchase;
- (4) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration as of the date of manufacture; and
- (5) Is purchased from a vehicle dealer.

"Rebate program" means the low- to moderate-income zero-emission vehicle rebate program established pursuant to this section.

"Vehicle dealer" means a "new motor vehicle dealer" or "used motor vehicle dealer" as defined in section 437-1.1, or an appropriate entity as identified by the administrator of the program.

"Zero-emission moped" means a moped that:

- (1) Has zero evaporative emissions from its fuel system; and
- (2) Is powered by electricity.

"Zero-emission motor scooter" means a motor scooter that:

(1) Has zero evaporative emissions from its fuel system; and

#### (2) Is powered by electricity.

"Zero-emission motorcycle" means a motorcycle that:

(1) Has zero evaporative emissions from its fuel system; and

(2) Is powered by electricity.

"Zero-emission vehicle" shall have the same meaning as in section 26-6."

SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed a state environmental response, energy, and food security tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The tax shall be \$1.05 on each barrel or fractional part of a barrel of petroleum product that is not aviation fuel; provided that of the tax collected pursuant to this subsection:

- (1) 5 cents of the tax on each barrel shall be deposited into the environmental response revolving fund established under section 128D-2;
- (2) 4 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;
- (3) 8 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169.1; [and]
- (4) 3 cents of the tax on each barrel shall be deposited into the electric vehicle charging system subaccount established pursuant to section 269-33(e) [-]; and

## (5) <u>5 cents of the tax on each barrel shall be deposited into</u> the zero-emission vehicle subaccount established pursuant to section 269-33(f).

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

SECTION 4. Section 269-33, Hawaii Revised Statutes, is amended to read as follows:

"§269-33 Public utilities commission special fund. (a) There is established in the state treasury a public utilities commission special fund to be administered by the public utilities commission. The proceeds of the fund shall be used by the public utilities commission and the division of consumer advocacy of the department of commerce and consumer affairs for all expenses incurred in the administration of chapters 269, 271, 271G, 269E, and 486J, and for costs incurred by the department of commerce and consumer affairs to fulfill the department's limited oversight and administrative support functions; provided that the expenditures of the public utilities commission shall be in accordance with legislative appropriations. On a quarterly basis, an amount not exceeding thirty per cent of the proceeds remaining in the fund after the deduction for central service expenses, pursuant to section 36-27, shall be allocated by the public utilities commission to the division of consumer advocacy and deposited in the compliance resolution fund established pursuant to section 26-9(o); provided that all moneys allocated by the public utilities commission from the fund to the division of consumer advocacy shall be in accordance with legislative appropriations.

(b) All moneys appropriated to, received, and collected by the public utilities commission that are not otherwise pledged, obligated, or required by law to be placed in any other special fund or expended for any other purpose shall be deposited into the public utilities commission special fund, including[ $_{\tau}$ ] but not limited to[ $_{\tau}$ ] all moneys received and collected by the public utilities commission pursuant to sections 92-21, 243-3.5, 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and 607-5.

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

(d) All moneys in excess of \$1,000,000 remaining on balance in the public utilities commission special fund on June 30 of each year shall lapse to the credit of the state general fund; provided that this ceiling shall not apply to the [subaccount] subaccounts established in

[subsection] subsections (e) [-] and (f).

(e) There is established within the public utilities commission special fund an electric vehicle charging system subaccount. The public utilities commission shall expend moneys in the subaccount for the purposes of funding the electric vehicle charging system rebate program established pursuant to sections 269-72 and 269-73. The funds in this subaccount shall not be subject to the special fund ceiling in subsection (d).

(f) There is established within the public utilities commission special fund a zero-emission vehicle subaccount. The public utilities commission shall expend moneys in the subaccount for the purposes of sections 269- and 269-73. The funds in this subaccount shall not be subject to the special fund ceiling in subsection (d)."

SECTION 5. Section 269-73, Hawaii Revised Statutes, is amended to read as follows:

"[<del>[</del>]§269-73[<del>]</del>] Electric vehicle charging system[<del>;</del>]<u>, low- to</u> moderate-income zero-emission vehicle; rebate [program;] programs; administrator; establishment. (a) The public utilities commission may contract with a third-party administrator to operate and manage any programs established under

[section] sections 269-72[-] and 269-. The administrator shall not be deemed to be a "governmental body" as defined in section 103D-104; provided that all moneys transferred to the third-party administrator shall have been appropriated by the legislature or shall be from funds provided by the federal government or private funding sources. The administrator shall not expend more than ten per cent of the amounts appropriated for the rebate program or other reasonable percentage determined by the public utilities commission for administration of the programs established under [section] sections 269-72[-] and 269-.

(b) The electric vehicle charging system rebate program administrator shall be subject to regulation by the public utilities commission under any provision applicable to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report to the public utilities commission on a regular basis. Notwithstanding any other provision of law to the contrary, the electric vehicle charging system rebate program administrator shall not be an electric public utility or an electric public utility affiliate.

(c) The low- to moderate-income zero-emission vehicle rebate program administrator shall be subject to regulation by the public utilities commission under any provision applicable to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report to the public utilities commission on a regular basis. Notwithstanding any other provision of law to the contrary, the low- to moderate-income zero-
emission vehicle rebate program administrator shall not be an electric

public utility or an electric public utility affiliate."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2100.

Report Title:

Zero-emission Vehicle Rebate Program; Public Utilities Commission

#### Description:

Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. Effective 7/1/2100. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent. 3.

HOUSE OF REPRESENTATIVES THIRTY-FIRST LEGISLATURE, 2022 STATE OF HAWAII



# A BILL FOR AN ACT

RELATING TO ZERO EMISSION TRANSPORTATION.

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

SECTION 1. The legislature finds that the electric vehicle charging system rebate program, established pursuant to Act 142, Session Laws of Hawaii 2019, as amended by Act 75, Session Laws of Hawaii 2021, provides rebates for the installation of electric vehicle charging systems in priority locations, including for multi-unit dwellings, workplaces, and commercial areas, and in places that serve vehicle fleets. The rebate program has proven to be very successful, with approximately one hundred forty new charging systems installed or in the pipeline that have been facilitated by the availability of these rebates.

The legislature further finds that the life-cycle costs of zeroemission vehicles are lower than internal combustion vehicles, including maintenance and fueling. According to the National Travel Household Survey Workshop, while access to public transit and other forms of mobility are increasing, households below the poverty level used privately owned vehicles for almost three-quarters of their trips. Increasing access to zero-emission vehicles allows these families to lower daily and monthly costs while decreasing exposure to vehicle emissions and particulate matter and advancing the State's overall energy and affordability goals.

The legislature also finds that the range of zero-emission vehicles has increased. According to the United States Department of Energy's Office of Energy Efficiency and Renewable Energy, for the first time, the median range of all of the electric vehicles offered for sale or lease in the United States in 2020 was more than two hundred fifty miles per charge. Charging infrastructure access throughout the State is expected to increase through the use of federal funds such as the soon to be released Infrastructure Investment and Jobs Act, and state funds allocated through Act 75, Session Laws of Hawaii 2021. The legislature additionally finds that it is critically important to encourage behavior that promotes lower emissions, reduces congestion, and enhances mobility, while encouraging the adoption of zero-emission vehicles for private and public use. An important step toward the decarbonization of ground transportation is to support equal access to new technologies and services, such as electric vehicles, which decrease the energy intensity of mobility and have the potential to greatly benefit low- to moderate-income and underserved populations who would most benefit from the lower maintenance and life-cycle costs.

Therefore, it is desirable to consolidate rebate programs to reduce administrative costs and confusion on how to access rebates.

The purpose of this Act is to establish a rebate program within the public utilities commission for the purchase of zero-emission vehicles and to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the pointof-sale purchase price of zero-emission vehicles.

SECTION 2. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

"<u>\$269-</u> Low- to moderate-income zero-emission vehicle rebate program. (a) The public utilities commission, in consultation with zero-emission vehicle stakeholders and the state energy office, shall administer a low- to moderate-income zero-emission vehicle rebate program that incentivizes the purchase of new or used qualifying vehicles and may contract with a third-party administrator pursuant to section 269-73 to operate and manage the rebate program.

(b) The public utilities commission may specify design features for the program, including procedures to prioritize available moneys

for specific qualifying vehicles and limitations on the number of rebates available for each type of qualifying vehicle.

(c) Rebates under the program shall be made from moneys credited to or deposited in the zero-emission vehicle subaccount. A rebate may not be made unless there are sufficient moneys available in the subaccount to make the rebate.

(d) The public utilities commission shall prescribe the rebate application procedure for purchasers and lessees.

(e) The rebate amount for qualifying vehicles under the low- to moderate-income zero-emission vehicle rebate program shall be set annually by the program administrator.

(f) An applicant may be eligible for a rebate if the applicant meets one of the following criteria:

- (1) The applicant is a Hawaii resident who is a member of a household having an income equal to or less than the income threshold set by the program administrator; or
- (2) The applicant is a nonprofit organization registered as a 501(c)(3) organization, either based in Hawaii or with a current Hawaii-based affiliate, that provides health, dental, social, financial, energy conservation, or other assistive services to low- or moderate-income households in Hawaii. Nonprofit organizations shall be limited to five rebates per entity per calendar year.

(g) To be eligible for a rebate, an applicant requesting a rebate under the program shall:

- (1) Purchase a qualifying vehicle or lease a qualifying vehicle for a minimum term of twenty-four months;
- (2) Provide proof of intent to use the qualifying vehicle primarily on the public highways of the State, which may be

satisfied by providing proof of registration of the qualifying vehicle in the State;

- (3) Submit an application for a rebate to the program administrator within six months after the date of purchase of the qualifying vehicle or six months after the date the lease of the qualifying vehicle begins; and
- (4) Retain registration of the qualifying vehicle for a minimum of twenty-four consecutive months after the date of purchase or the date the lease begins.

(h) Rebate recipients may be requested to participate in ongoing research efforts.

(i) The program administrator shall work to ensure timely payment of rebate program rebates with a goal of paying rebates within sixty days of receiving a completed application with all required supporting documentation for a low- to moderate-income zero-emission vehicle rebate.

(j) The program administrator may offer expanded financing mechanisms for program participants, including a loan or loan-loss reserve credit enhancement program to increase consumer access to new or used light-duty zero-emission vehicles.

(k) As used in this section:

"Light-duty motor vehicle" shall have the same meaning as in section 26-6.

"Light-duty zero-emission vehicle" means a light-duty motor vehicle that is also a zero-emission vehicle.

"Moped" shall have the same meaning as in section 291C-1.
"Motor scooter" shall have the same meaning as in section 291C-1.
"Motorcycle" shall have the same meaning as in section 291C-1.
"Neighborhood electric vehicle" shall have the same meaning as in section 291C-1.
section 291C-1.

"New" means a qualifying vehicle that:

- (1) Has not previously been sold to any person except a distributor, wholesaler, or dealer for resale, except where the vehicle has not left the dealer's possession after the sale to a consumer;
- (2) Has not previously been registered or titled in the name of a consumer, except where the vehicle has not left the dealer's possession after the sale to a consumer; and
- (3) Has not been driven more than five hundred miles.

"Program administrator" means the public utilities commission or

the third-party administrator contracted by the public utilities

commission pursuant to section 269-73 to operate and manage the rebate program.

"Qualifying vehicle" means a motor vehicle that:

- (1) Is a:
  - (A) New or used light-duty zero-emission vehicle;
  - (B) New neighborhood electric vehicle;
  - (C) New zero-emission motorcycle;
  - (D) New zero-emission motor scooter;
  - (E) <u>New zero-emission moped;</u>
- (2) Has a manufacturer's suggested retail price of less than the maximum set by the program administrator;
- (3) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least twenty-four months from the date of purchase;
- (4) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration as of the date of manufacture; and

(5) Is purchased from a vehicle dealer.

"Rebate program" means the low- to moderate-income zero-emission vehicle rebate program established pursuant to this section.

"Vehicle dealer" means a "new motor vehicle dealer" or "used motor vehicle dealer" as defined in section 437-1.1, or an appropriate entity as identified by the administrator of the program.

"Zero-emission moped" means a moped that:

(1) Has zero evaporative emissions from its fuel system; and

(2) Is powered by electricity.

"Zero-emission motor scooter" means a motor scooter that:

(1) Has zero evaporative emissions from its fuel system; and

(2) Is powered by electricity.

"Zero-emission motorcycle" means a motorcycle that:

(1) Has zero evaporative emissions from its fuel system; and

(2) Is powered by electricity.

"Zero-emission vehicle" shall have the same meaning as in section 26-6."

SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed a state environmental response, energy, and food security tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The tax shall be \$1.05 on each barrel or fractional part of a barrel of petroleum product that is not aviation fuel; provided that of the tax collected pursuant to this subsection:

 (1) 5 cents of the tax on each barrel shall be deposited into the environmental response revolving fund established under section 128D-2;

- (2) 4 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;
- (3) 8 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169.1; [and]
- (4) 3 cents of the tax on each barrel shall be deposited into the electric vehicle charging system subaccount established pursuant to section 269-33(e) [-]; and
- (5) <u>5 cents of the tax on each barrel shall be deposited into</u> the zero-emission vehicle subaccount established pursuant to section 269-33(f).

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

SECTION 4. Section 269-33, Hawaii Revised Statutes, is amended to read as follows:

"\$269-33 Public utilities commission special fund. (a) There is established in the state treasury a public utilities commission special fund to be administered by the public utilities commission. The proceeds of the fund shall be used by the public utilities commission and the division of consumer advocacy of the department of commerce and consumer affairs for all expenses incurred in the administration of chapters 269, 271, 271G, 269E, and 486J, and for costs incurred by the department of commerce and consumer affairs to fulfill the department's limited oversight and administrative support functions; provided that the expenditures of the public utilities commission shall be in accordance with legislative appropriations. On a quarterly basis, an amount not exceeding thirty per cent of the proceeds remaining in the fund after the deduction for central service expenses, pursuant to section 36-27, shall be allocated by the public utilities commission to the division of consumer advocacy and deposited in the compliance resolution fund established pursuant to section 26-9(o); provided that all moneys allocated by the public utilities commission from the fund to the division of consumer advocacy shall be in accordance with legislative appropriations.

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

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

(d) All moneys in excess of \$1,000,000 remaining on balance in the public utilities commission special fund on June 30 of each year shall lapse to the credit of the state general fund; provided that this ceiling shall not apply to the

[subaccount] subaccounts established in

[subsection] subsections (e) [-,] and (f).

(e) There is established within the public utilities commission special fund an electric vehicle charging system subaccount. The public utilities commission shall expend moneys in the subaccount for the purposes of funding the electric vehicle charging system rebate program established pursuant to sections 269-72 and 269-73. The funds in this subaccount shall not be subject to the special fund ceiling in subsection (d). (f) There is established within the public utilities commission special fund a zero-emission vehicle subaccount. The public utilities commission shall expend moneys in the subaccount for the purposes of sections 269- and 269-73. The funds in this subaccount shall not be subject to the special fund ceiling in subsection (d)."

SECTION 5. Section 269-73, Hawaii Revised Statutes, is amended to read as follows:

# "[+]§269-73[+] Electric vehicle charging system[+], low- to moderate-income zero-emission vehicle; rebate

[program;] programs; administrator; establishment. (a) The public utilities commission may contract with a third-party administrator to operate and manage any programs established under

[section] sections 269-72[-] and 269-. The administrator shall not be deemed to be a "governmental body" as defined in section 103D-104; provided that all moneys transferred to the third-party administrator shall have been appropriated by the legislature or shall be from funds provided by the federal government or private funding sources. The administrator shall not expend more than ten per cent of the amounts appropriated for the rebate program or other reasonable percentage determined by the public utilities commission for administration of the programs established under [section] sections 269-72[-] and 269-.

(b) The electric vehicle charging system rebate program administrator shall be subject to regulation by the public utilities commission under any provision applicable to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report to the public utilities commission on a regular basis. Notwithstanding any other provision of law to the contrary, the electric vehicle charging system rebate program administrator shall not be an electric public utility or an electric public utility affiliate.

(c) The low- to moderate-income zero-emission vehicle rebate program administrator shall be subject to regulation by the public utilities commission under any provision applicable to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report to the public utilities commission on a regular basis. Notwithstanding any other provision of law to the contrary, the low- to moderate-income zeroemission vehicle rebate program administrator shall not be an electric public utility or an electric public utility affiliate."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2100.

#### Report Title:

Zero-emission Vehicle Rebate Program; Public Utilities Commission

#### Description:

Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. Effective 7/1/2100. (HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

68 new car dealerships, 4,383 direct jobs, \$5.8 billion total sales, \$269 million State Gross Ex

HB-2090-HD-1 Submitted on: 2/14/2022 11:03:24 PM Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Remote Testimony Requested
Andrea Nandoskar	Individual	Support	No

Comments:

Strongly support!

Mahalo for your consideration.

#### HB 2090 HD 1 TESTIMONY

To: House Committee on Consumer Protection and Commerce Hearing on Feb. 16, 2022 at 2:00 p.m.

From: John Kawamoto

Position: Support

Everyone should be able to participate in reducing greenhouse gas emissions to mitigate climate change so that the Earth will remain livable for future generations. This bill improves access to zero emissions vehicles for low- and moderate-income families and nonprofit organizations that provide services to them. This bill should be among a multitude of bills passed by the Legislature to mitigate climate change.

# HB-2090-HD-1

Submitted on: 2/15/2022 9:37:31 AM Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Remote Testimony Requested
Douglas Perrine	Individual	Support	No

Comments:

I support HB2090. Hawaii is woefully behind on its goal to transition to zero emissions in the transportation sector, and this should help.

#### HB-2090-HD-1

Submitted on: 2/15/2022 11:54:12 AM Testimony for CPC on 2/16/2022 2:00:00 PM

_	Submitted By	Organization	<b>Testifier Position</b>	Remote Testimony Requested
	Rob Weltman	Individual	Support	No

Comments:

Hawai'i is committed to a sustainable, carbon-neutral or better future, but we need to ensure an equitable transition. HB2090 focuses financial assistance on those who need it in order to switch from gasoline vehicles to electric vehicles.

#### Committee on Consumer Protection and Commerce Chair Johanson, Vice Chair Kitagawa

# Wednesday February 16, 2 pm Videoconference HB2090 HD1 — RELATING TO ZERO EMISSION TRANSPORTATION

#### TESTIMONY Beppie Shapiro, testifying as an individual

Chair Johanson, Vice Chair Kitagawa, and Committee Members:

I am testifying in strong support of HB2090 HD1, which establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

Current national rebate programs for purchase of electric vehicles are limited to purchase of new vehicles only. Since current up-front prices for electric vehicles often exceed prices for similar non-electric vehicles, new vehicles are purchased almost exclusively by individuals with high-moderate or better incomes or wealth.

To address the urgent need to reduce vehicle emissions in Hawaii, it's important to encourage those with moderate or lower incomes to purchase those vehicles, whether new or used. HB2090 HD1 would accomplish this. I hope to see it enacted this year.

Thank you for the opportunity to submit testimony.

# HB-2090-HD-1

Submitted on: 2/15/2022 1:13:07 PM Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Matthew Geyer	Individual	Support	Yes

Comments:

Strong support of HB2090 HD1 in order to help low and moderate income folks take advantage of the EV revolution.

#### HB-2090-HD-1

Submitted on: 2/15/2022 1:20:32 PM Testimony for CPC on 2/16/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Keith Neal	Individual	Support	No

Comments:

I support HB290 as it will provide for low and moderate income Hawaii residents greater access to zero-emission vehicles. HB2090 is important because providing incentives promotes the adoption of electric vehicles.

Adoption of electric vehicles are critical to reducing Hawaii's Green House Gas emissions and mitigate pollution brought on by fossil fuel use.

Respectfully submitted,

-Keith Neal

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

DAVID Y. IGE GOVERNOR



TESTIMONY BY:

JADE T. BUTAY DIRECTOR

Deputy Directors ROSS M. HIGASH EDUARDO P. MANGLALLAN PATRICK H. MCCAIN EDWIN H. SNIFFEN

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

February 16, 2022 2:00 P.M. State Capitol, Teleconference

#### H.B. 2090, H.D. 1 RELATING TO ZERO EMISSION TRANSPORTATION

#### House Committee on Consumer Protection & Commerce

The Department of Transportation (DOT) **supports** this measure that establishes a rebate program within the Public Utilities Commission to enable low and moderate income families greater access to zero-emission vehicles.

The DOT is committed to meeting the state's clean energy goals and supports the wide-spread adoption of electric vehicles. The department's track record includes a significant purchase of light-duty electric vehicles for its fleet in 2021, with plans to continue to convert its fleet over the next few years. Our current electrification contract for these vehicles enables the DOT to install charging stations and the charging service quickly and efficiently with no upfront equipment costs. There are photovoltaic panels installed at DOT field offices statewide designed to power electric vehicle charging stations in the near future. In addition, the DOT pursues strategies to support expansion of electric vehicle charging facilities across the state.

The DOT supports the Public Utility Commission and the State Energy Office in their effort to improve accessibility to zero-emission vehicles for all residents.

Thank you for the opportunity to provide this testimony.



LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

#### HB-2090-HD-1

Submitted on: 2/15/2022 4:07:59 PM Testimony for CPC on 2/16/2022 2:00:00 PM



Submitted By	Organization	<b>Testifier Position</b>	Remote Testimony Requested
Gerard Silva	Individual	Oppose	No

Comments:

There is no problem with Emision this is all made up . The have a lot of money in the Electic Car Deal and if you don't by E cars they don't make money it is that simpel. All you have to do is Investigate this your self and you will fine out a lot of things are not what you through they were!!

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

#### HB-2090-HD-1

Submitted on: 2/16/2022 12:46:58 PM Testimony for CPC on 2/16/2022 2:00:00 PM



Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kapua Keliikoa-Kamai	Individual	Support	No

Comments:

Aloha kakou,

I stand in strong support of HB 2090 HD1 - Establishing a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles to be effective upon passage.

We hope to purchase an EV for our next vehicle since our Prius hybrid is over 12 years old now; however, we're not able to purchase rooftop solar to charge it at the same time.

While this is not the proper legislative vehicle, I'd also like to support more EV charging stations in rural area's. My Waianae Coast, zipcode 96792, only has one EV working charging station that I'm aware of. I believe Haleiwa, Kahuku and Laie are similar. Should these stations become inoperative (like at the KS CLC in Maili) it may impact EV operation when an EV vehicle owner is unaware and doesn't have a home charger (like a deceased friend of mine was) causing a hardship. Also, I believe it's time to implement a minimal charging fee at all government sponsored EV charging stations vs applying a Road Usage Charge fee.

Mahalo for considering my manao and support of HB 2090 HD1. Malama pono.

Kapua Keliikoa-Kamai

Concerned Waianae Resident