

HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE GOVERNOR

SCOTT J. GLENN CHIEF ENERGY OFFICER

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Testimony of SCOTT J. GLENN, Chief Energy Officer

before the HOUSE COMMITTEE ON TRANSPORTATION

Wednesday, March 16, 2022 Time 10:30 AM State Capitol, Conference Room 423 and Via Videoconference

SUPPORT SB 3158 SD2 RELATING TO TRANSPORTATION.

Chair Aquino, Vice Chair Ilagan, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports and requests amendments to SB 3158 SD2, which establishes the Electric Bicycle and Electric Moped Rebate Program and special fund to encourage the purchase and use of electric bicycles and electric mopeds, allocates a portion of the barrel tax for the rebate program, and appropriates moneys.

Emissions from ground transportation account for more than half of energy emissions as reported in the Greenhouse Gas Emissions Report for 2017¹. Ground transportation accounted for 47 percent of the reported transportation emissions. For Hawaii to meet its statutory target "to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045", 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 Hawaii need to be addressed. SB 3158 SD2 supports the proliferation of zero-emission mobility alternatives, which can reduce fossil-fuel powered vehicle miles traveled and related transportation emissions. Electric bicycles and mopeds can be complementary to public transit by facilitating firstmile/last-mile connections to transit stops and fill gaps in transit services. Electric

¹ State of Hawai'i. Department of Health. Hawai'i Greenhouse Gas Program, Emissions Report for 2017. <u>https://health.hawaii.gov/cab/files/2021/04/2017-Inventory_Final-Report_April-2021.pdf</u>

bicycles and electric mopeds also promote equity by providing a lower cost zeroemission alternative to passenger vehicles.

HSEO requests the funding for the proposed electric bicycle and electric moped rebate program administered by the Hawaii Department of Transportation (DOT) be funded from the environmental response, energy, and food security tax (the "barrel tax") and the funding restoration of the 3 cents from the barrel tax that funds the electric vehicle charging system rebate program administered by the Public Utilities Commission (PUC) to the electric vehicle charging system subaccount of the PUC special fund.

To that end, HSEO recommends for the Committee's consideration that SECTION 3 of SB 3158 SD2, which amends Section 243-3.5(a), Hawaii Revised Statutes (HRS), to leave subsection (a)(4) as it is currently written in statute:

"(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(c)."

HSEO also recommends that SECTION 3 amend Section 243-3.5(a), HRS, to add the following language:

"(5) X cents of the tax on each barrel shall be deposited into the zero-emission transportation subaccount established pursuant to section 264-122(d)."

Lastly, HSEO recommends that a new SECTION be added to the bill that amends Section 264-122, HRS, to add the following language:

"(d) There is established within the highway development special fund a zero-emission transportation subaccount. The portion of the environmental response, energy, and food security tax specified under section 243-3.5 shall be deposited into the subaccount. The department shall expend moneys in the subaccount for the purposes of funding the zero-emission vehicle rebate program established pursuant to section 196- "

Where "Section 196-" refers to the new section to part I of Chapter 196, HRS, proposed under SECTION 2 of SB 3158 SD2.

For background on why HSEO recommends these amendments, SB3158 SD2 was amended to provide funding for both programs from Public Law 117-58, also known as the Bipartisan Infrastructure Law (BIL). HSEO has been reviewing U.S. Department of Transportation Federal Highway Administration guidance on the National Electric Vehicle Infrastructure (NEVI) Formula Program under the BIL which includes specific requirements to receive and deploy funds. HSEO notes that the charging infrastructure supported by the Hawaii's EV charging system rebate program and the NEVI Formula Program are complimentary and both are necessary to achieve Hawaii's energy and decarbonization goals for the transportation sector. The NEVI program directs funding to designated Alternative Fuel Corridors to build out a national electric vehicle (EV) charging network with specific technical requirements including charging stations, or super chargers, which have four ports each capable of charging simultaneously at 150 kW or 600 kW of load in total.

HSEO has collaborated with DOT-Highways to have these corridors designated throughout Hawaii. The technical requirements for chargers to build out the Alternative Fuel Corridors far exceed the type of chargers that are typically serviced under Hawaii's EV charging rebate program which include rebates for level 2 chargers. Level 2 chargers range between 3 kW up to roughly 20 kW. Hawaii's unique environment where range anxiety is less of an issue can be efficiently served with a diversity of charging. Diversity allows for the convenience of super chargers to be sited where the grid can support the significant increase in load level 2 charging to be ubiquitously sited across the grid to allow consumers to conveniently top off their EVs.

HSEO is ready to work with the Legislature, state agencies, and stakeholders to address any issues in order to advance the decarbonization of ground transportation

through support of a variety of alternative transportation modes that decrease the energy intensity of mobility.

HSEO defers to the appropriate agencies regarding administrative and fiscal impacts.

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 TRANSPORTATION

March 16, 2022 10:30 a.m.

Chair Aquino and Members of the Committee:

MEASURE:S.B. No. 3158, SD2TITLE:RELATING TO TRANSPORTATION.

DESCRIPTION:

Establishes the Electric Bicycle and Electric Moped Rebate Program and special fund to encourage the purchase and use of electric bicycles and electric mopeds. Allocates a portion of the barrel tax for the rebate program. Appropriates moneys. Effective 1/1/2050. (SD2)

POSITION:

The Public Utilities Commission ("Commission") offers the following comments for consideration.

COMMENTS:

The Commission appreciates the intent of this measure to create an electric bicycle and electric moped rebate program ("EBEMRP").

The Commission takes no position to sections 2 and 4 of this measure, and defers to the Department of Transportation regarding administration of the EBEMRP.

Section 3 of this measure would eliminate the existing environmental response, energy, and food security tax ("barrel tax") funding for the Electric Vehicle Charging System ("EVCS") rebate program for five years. As a result, there would no longer be a consistent and stable source of funds for the EVCS rebate program, which may work against the legislative intent of Act 75 (2021) to provide a sustainable funding source to continue the

S.B. No. 3158, SD2 Page 2

EVCS rebate program into the future. Instead, this measure provides an unspecified appropriation from proceeds that may be received from the federal government pursuant to the federal Infrastructure Investment and Jobs Act (Public Law 117-58).

The Commission is concerned that the proposed change in funding for the EVCS rebate program may reduce certainty and confidence in the EVCS rebate program, and could lead to disruption for EV charging station projects under construction or in the planning stages. The proposed change in the funding source could therefore slow the growth of EV charging stations throughout the State and hinder achievement of the State's clean energy goals.

Regarding section 5, should the Legislature pass this measure, the Commission will ensure that any funds deposited into the EVCS subaccount of the PUC special fund are appropriately utilized to meet the intent of the EVCS rebate program.

Thank you for the opportunity to testify on this measure.



Co-Chairs: Chair, DLNR Director, OPSD

Commissioners: Chair, Senate AEN Chair, Senate WTL Chair, House EEP Chair, House WAL Chairperson, DTA Chairperson, DOA CEO, OHA Chairperson, DOH Director, DBEDT Director, DBEDT Director, DOH Chairperson, DOE Director, C+C DPP Director, Hawai'I DP Director, Hawai'I DP The Adjutant General Manager, CZM

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

Testimony of Leah Laramee Director, Kaua' The Adjutant G Manager, CZM Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission (Temporality Assigned)

Before the House Committee on TRANSPORTATION

Wednesday, March 16, 2022 10:30 AM State Capitol, Via Videoconference, Conference Room 423

In support of Senate Bill 3158, Senate Draft 2 RELATING TO TRANSPORTATION

Senate Bill 3158 Senate Draft 2 establishes the Electric Bicycle and Electric Moped Rebate Program and special fund to encourage the purchase and use of electric bicycles and electric mopeds. Allocates a portion of the barrel tax for the rebate program. The Hawaii Climate Change Mitigation and Adaptation Commission (Commission) <u>supports</u> this measure and offers comments.

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 multijurisdictional 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.

Ground transportation is the single largest source of greenhouse gas emissions (GHG) in Hawaii, and mirrors a nationwide trend according to EPA, transportation was the largest source of GHG emissions in 2017. Reducing emissions from ground transportation is a major focus 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 tax credit program could be critical in promoting this transition to clean transportation.

Transportation is the second highest expense, after housing, for households in Hawaii. It disproportionately affects cost-burdened households. In its 2018 statement the Commission recognized the need of laws to remove barriers to the purchase of EVs and clean fuel technology vehicles. For this reason, the climate commission feels that three cents of the environmental response, energy, and food security tax assessed on each barrel of petroleum product be deposited into the electric bicycle and electric moped rebate special fund in addition to the three cents deposited into the electric vehicle charging system subaccount of the public utilities commission special fund.

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



To:The House Committee on TransportationFrom:Sherry Pollack, Co-Founder, 350Hawaii.orgDate:Wednesday, March 16, 2022, 10:30 am

In strong opposition to SB3158 SD2

Aloha Chair Aquino, Vice Chair Ilagan, and Transportation 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 opposition to SB3158 SD2.**

The current version of this measure calls for funds for the EV Charger Rebate Program to be redirected to establish an Electric Bicycle and Moped Rebate Program. This is unacceptable as it will hamper the much-needed expansion of public charging. Public EV charging station expansion is critically needed to help overcome financial barriers for lower-income consumers, providing equitable EV access.

Bottomline, SB3158 SD2 will only serve to hit the brakes on our transition to clean transportation, precisely at the time we should be accelerating our efforts.

Thank you for the opportunity to testify.

Sherry Pollack Co-Founder, 350Hawaii.org



DATE: March 14, 2022

TO: Representative Henry Aquino Chair, House Committee on Transportation

FROM: Tiffany Yajima

RE: S.B. 3158, S.D.2 – Relating to Transportation Hearing Date: Wednesday, March 16, 2022 at 10:30 a.m. Conference Room: 423

Dear Chair Aquino, Vice Chair Ilagan, and Members of the Committee on Transportation:

On behalf of the Alliance for Automotive Innovation ("Auto Innovators") we submit these **comments** on S.B. 3158, S.D.2.

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.

Auto Innovators prefer the S.D.1 version of this measure which includes language to establish an electric vehicle rebate program for low- to moderate-income individuals, in addition to a rebate for electric bicycles, electric mopeds, and electric motorcycles.

Hawaii has one of the highest rates of adoption of passenger electric vehicles in the nation, but this number represents only a small percentage of the total number of registered vehicles in Hawaii. In addition to charging infrastructure, some of the hurdles facing greater adoption of electric vehicles include consumer hesitancy to embrace new technology and the higher price of an EV. Because electric vehicles can cost \$12,000 more than the gasoline equivalent vehicle, EV rebate programs are an effective way to encourage consumer purchases of electric vehicles by bringing down the relatively higher price of an EV.

We respectfully request that the committee pass this measure adopting the S.D.1 version but amending the language to remove the 50-50 allocation of funds between electric vehicles and electric bikes, electric mopeds, and electric motorcycles. To maximize the impact of the rebate program, we believe that a market-based approach to the rebate program is more appropriate rather than arbitrarily limiting rebates for EVs to only fifty percent of the fund.

Auto Innovators look forward to the opportunity to work on this measure with the legislature and government agencies to craft an electric vehicle rebate program for the state. Consumer purchase incentives such as EV rebates are crucial to growing consumer confidence in this new vehicle technology and increasing the number of electric vehicles on the road.

Thank you for the opportunity to submit these comments on S.B. 3158, S.D.2.

<u>SB-3158-SD-2</u> Submitted on: 3/15/2022 7:01:14 AM

Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Morin	Big Island Electric Vehicle Association	Oppose	Written Testimony Only

Comments:

Dear Chair Aquino, Vice-Chair Ilagan, and members of the Committee,

Big Island EV Association opposes SB3158 SD2. The original version of this bill suggested the creation of a rebate program that could facilitate a more equitable transition to clean transportation and the diversification of our transportation modes. SD2 is problematic as it proposes a risky change to the funding mechanism for the <u>Commercial EV Charger Rebate</u> <u>Program</u>. This program is serving a critical role in expanding much-needed public charging infrastructure.

Inadequate public charging infrastructure is a key barrier to electric vehicle adoption, and the Commercial EV Charger Rebate is incentivizing site owners to install chargers. SD2 places the funding of this program at risk.

Please defer this measure, or identify another means to fund the proposed electric bicycle and moped rebate program.

Sincerely,

Noel Morin

President - Big Island EV Association

bigislandev.org



HOUSE COMMITTEE ON TRANSPORTATION

March 16, 2022, 10:30 A.M. Conference Room 423 and Video Conference

TESTIMONY IN OPPOSITION TO SB 3158 SD2, SUGGESTED AMENDMENT

Aloha Chair Aquino, Vice Chair Ilagan, and Committee members:

Blue Planet Foundation **opposes the SD2 version of SB 3158**, which eliminates barrel tax funding for Hawai'i's successful rebate program for publicly available electric vehicle chargers.

Recognizing that a lack of charging infrastructure remains a barrier to more widespread adoption of electric vehicles (EVs) in Hawai'i, in 2019 lawmakers established an electric vehicle charging system (EVCS) rebate program to incentivize the installation of publicly available charging stations and charging stations that serve fleets, or multiple tenants, employees, or customers. This rebate program—administered by Hawai'i Energy with oversight by the Public Utilities Commission—has been a success. In 2021, the legislature passed HB 1142, which allocates three cents of the existing barrel tax (i.e. tax on imported oil) to provide much-needed funding to continue the rebate program. Without additional funding, the rebate program would have ended on June 30, 2021.

Developing a robust community charging network remains a critical step in reducing the state's carbon emissions. The success of the EVCS rebate program to date has signaled pent up demand for publicly available chargers. There are now over 18,000 EVs registered in the state,¹ but a lack of adequate and accessible vehicle charging infrastructure remains a roadblock to further adoption. The International Energy Agency found that "the availability of chargers emerged as one of the key factors for contributing to the market penetration of EVs."² Unlike gasoline car owners, 80% of EV drivers charge their cars at home or at work.³ Residents in multi-unit dwellings or condos, however, are often unable to find a place to charge, preventing them from receiving the benefits of EVs. This is a fundamental equity issue in Hawai'i: a large segment of residents in Hawai'i live in multi-family housing, in part because single-family homes are financially out of reach for many.

¹ DBEDT Monthly Energy Trends, February 2022 (http://dbedt.hawaii.gov/economic/energy-trends-2/). ² *Global EV Outlook 2017*, International Energy Agency, June 2017, https://www.iea.org/reports/global-ev-outlook-2017.

³ Ibid.

In addition, expanding access to EV charging is critical to unlock benefits for all electricity users, not just for EV drivers. Enabling EV charging during the middle of the day allows more low cost solar to be added to the grid and helps the overall energy system. When large numbers of EVs—which are essentially batteries on wheels—are connected to the electricity grid simultaneously, they could be used to help manage the system through demand response, load shifting, and other grid services. But most workplaces lack such charging infrastructure currently. What's more, how we define "workplaces" may also be shifting. With increases in remote working situations as a result of the COVID-19 pandemic, more homes could permanently morph into offices, underscoring the need to prioritize expanded charging access at both residential and commercial properties.

Eliminating barrel tax funding for the successful EVCS rebate program is a step

backwards for Hawai'i's energy and climate policy. Blue Planet certainly supports increasing the affordability of electric mobility options to more Hawai'i residents, but we can do so without derailing efforts to expand our community charging network. We can pursue both policy goals by **reinstating the SD1 version of SB 3158**, which maintains barrel tax funding for the critically needed EVCS rebate program while also allocating barrel tax funding for electric vehicles rebates (including for electric bicycles, electric mopeds, as well as passenger electric vehicles) for low- and moderate-income residents.

Blue Planet supports funding both programs 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. The bill mentions funding for the EVCS rebate program from the federal Infrastructure Investment and Jobs Act, but does not specify an amount or provide other assurances about the availability of such funding to ensure the EVCS rebate program continues.

Thank you for the opportunity to provide testimony.

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 Transportation Wednesday, March 16, 2022 at 10:30a.m.

Testimony on SB3158 SD2: Relating to Transportation

Chair Aquino, Vice Chair Ilagan, and Members of the Committee:

Thank you for the opportunity to provide comments in opposition of Section 3 of Senate Bill 3158 SD2.

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 via the barrel tax with the passage of House Bill 1142 (Act 75).

With more than 18,000 EVs registered in the state¹, and interest in electric passenger vehicles growing as gas prices spike, it is critical to grow the EV charging network, especially for drivers who live in multiunit dwellings or do not have access to home charging. The EVCS Rebate program is key in supporting the installation or improvements of publicly available charging stations statewide.

As of February 21, 2022, the rebate program has supported the following completed installations:

COMPLETED PROJECTS				
LEVEL 2		DC FAST CHARGER		
New	Retrofit	New	Retrofit	
47	66	1	1	

We also have a waitlist for the following number of projects:

PROJECTS IN PIPELINE				
LEVEL 2		DC FAST CHARGEF		
New	Retrofit	New	Retrofit	
31	3	2	0	

While we support the bill's intent to incentivize more electric modes of transportation, especially for Hawai'i residents who may not have the means or access to electric vehicles, we oppose language in Section 3 that would redirect barrel tax funding dedicated for the current EVCS Rebate program to fund

¹ "Monthly Energy Trend Highlights: February 2022 Highlights," Research and Economic Analysis Division, DBEDT, March 8, 2022, p. 2

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.

the proposed electric bicycle/moped rebate program in this bill. We currently have a waitlist of more than 30 projects that are in various stages of completion, and any disruption in the EVCS Rebate program's funding could result in these projects falling through and an overall interruption in project development. EVCS installations are already facing delays due to supply chain and permitting issues, so pulling EVCS rebate support will most likely slow down the state's public EVCS network's growth.

If the current EVCS Rebate program is eliminated or put on hold for a long period of time, it will weaken the state's EVCS installation pipeline and potentially hamper future business opportunities for the clean transportation industry that supports electricians, contractors and EVCS vendors. We also have to take into consideration the time it takes to restart this type of program, especially if there is an RFP involved seeking a third-party administrator, which could take up to six months.

Hawai'i Energy recommends the removal of the amended language in Section 3 that redirects the barrel tax funding to preserve the EVCS Rebate program and all of the progress that has been and is being made.

We appreciate the State Legislature's overall efforts to help achieve our clean energy and clean transportation goals. Thank you for the opportunity to testify on Senate Bill 3158 SD2.

Sincerely, Brian Kealoha Executive Director Hawaiʻi Energy



March 14, 2022

SUPPORT FOR SB3158 SD2 RELATING TO TRANSPORTATION

Dear Chair Aquino, Vice-Chair Ilagan, and members of the Transportation Committee,

Hawaii Electric Vehicle Association (Hawaii EV) **opposes** SB3158 SD2, which "Establishes the Electric Vehicle, Electric Bicycle, Moped, and Motorcycle Rebate Program and special fund to encourage the purchase and use of electric motor vehicles, bicycles, mopeds, and motorcycles. Allocates a portion of the barrel tax for the rebate program. Makes an appropriation."

While we support the intention of this measure and have testified in support of previous versions, **SD2 includes amendments that have made this measure counter-productive for our decarbonization mission.** The amendments of concern include

- The exclusion of electric cars from the program. It is now limited to electric mopeds and bicycles. While micro-mobility plays a critical role in our sustainable transportation strategy, a car is a necessity for many. Importantly, a rebate for purchasing a new or used electric car with the benefit focused on low-moderate income households will enable an equitable transition to clean transportation.
- 2. The diversion of essential money away from the Commercial EV Charger Rebate Program to fund the purchase rebate suggests that the EV Charger Rebate Program will be supported through federal infrastructure money. This is highly problematic as it places the Commercial EV Charger Rebate program at risk. This amendment is what Hawaii EV is most concerned about and the main reason for the opposition.

The transition to electric vehicles is a key to our decarbonization efforts. The main barrier to electric vehicle adoption is the inadequacy of our public charging infrastructure, a problem that the Commercial EV Charger Rebate is mitigating. It behooves us to protect the funding for this rebate program, established during the last Legislative session.

Please consider an amendment to reverse these changes and identify a funding strategy that does not cannibalize funding for the Commercial EV Charger Rebate Program.

Thank you for this opportunity to testify.



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Sincerely,

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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

2022/03/14

Strong Opposition of SB3158

Dear Chair Aquino, Vice Chair Ilagan and members of the Transportation Committee,

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 opposition of HB3158.**

While we supported the previous version of this bill, it is sad that SD2 removes EVs from the program and makes it about electric bikes and electric mopeds only.

We'd still support it, but what's even worse, the funding takes away from the [electric vehicle charging system subaccount] and makes it the "<u>electric bicycle and electric moped rebate</u> <u>special fund".</u>

This charger rebate that is funded by the electric vehicle charging system subaccount is way more important for the decarbonisation of transportation, please oppose this bill.

Mahalo for your consideration,

Souja Kan

Sonja Kass, President KauaiEV

FB @KauaiEV

Page 1 of 1

Testimony in Opposition to SB3158 SD 2

Aloha Chair Aquino and Members of the Committee,

I am writing on behalf of Kauai Climate Action Coalition, a large group of Kauai residents that recognize the urgent need for action to address the climate crisis we are already experiencing and which will get worse without appropriate action. As currently amended, the proposed rebate in this bill excludes electric cars. While it remains for electric bikes and mopeds, inclusion of electric cars is necessary to mitigate the climate crisis. In addition, the bill redirects the funds from the Commercial EV Charger Rebate Program to fund this new program. Thus, it is cannibalizing charger funds. A robust electric vehicle chagrining system is essential if we are to expand the use of electric cars to reduce fossil fuel emissions. Please oppose SB3158. Mahalo!

<u>SB-3158-SD-2</u> Submitted on: 3/14/2022 8:46:06 PM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai women's caucus	Oppose	Written Testimony Only

Comments:

Focus on electric cars not bikes and mopeds



200 South High Street Wailuku, HI 96793 www.mauimpo.org

March 15, 2022

Testimony of Lauren Armstrong Maui MPO Executive Director On behalf of Maui MPO Policy Board

Before the House Committee on Transportation

March 16, 2022 at 10:30am Conference Room 423

SB3158 SD2 RELATING TO TRANSPORTATION

Honorable Henry J.C. Aquino, Chair Honorable Greggor Ilagan, Vice Chair Honorable Members of the House Committee on Transportation

The Maui MPO Policy Board **supports** SB3158 SD2. The measure creates a rebate program to expand access for more Hawai'i residents to purchase electric motor vehicles and bicycles and be part of our clean transportation future. Purchasing an electric vehicle is financially out of reach for many Hawai'i residents. Unlike a dozen other states that offer financial incentives to make EVs more affordable to a wider range of residents, Hawai'i currently offers no incentives. Please support SB3158 SD2.

Sincerely,

Lon Wit

Lauren Armstrong Executive Director, Maui MPO On behalf of the Maui MPO Policy Board

<u>SB-3158-SD-2</u>

Submitted on: 3/15/2022 7:34:57 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Rob Weltman	Maui Nui EV Association	Oppose	Written Testimony Only

Comments:

Hydrogen may in the future become a useful component of transportation with renewable energy, but at this time it is very expensive and impractical compared to the widely adopted battery-electric vehicles. It would be unwise to divert funds from expanding the charging infrastructure for battery EVs towards the much more expensive hydrogen refueling stations.



Email: communications@ulupono.com

HOUSE COMMITTEE ON TRANSPORTATION Wednesday, March 16, 2022 — 10:30 a.m.

Ulupono Initiative <u>supports the intent</u> of SB 3158 SD 2, Relating to Transportation.

Dear Chair Aquino 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 the intent</u> of SB 3158 SD 2, which establishes the Electric Bicycle and Electric Moped Rebate Program and special fund to encourage the purchase and use of electric bicycles and electric mopeds, and allocates a portion of the Barrel Tax for the rebate program.

Ulupono supports Hawai'i's reduction of fossil fuel use as we strive to meet the State's 100% renewable goal by 2045. However, we strongly encourage this committee to consider amending this measure to better align with earlier bill drafts.

First, we commend the committee's creativity in seeking to utilize the Infrastructure Investment and Jobs Act. However, EV charging infrastructure has been identified as a critical barrier to EV adoption, so we strongly support continued funding of the Electric Vehicle Charging System Rebate Program, and not reallocating such funds. Furthermore, we encourage the committee to consider reinstituting Electric Vehicle purchases within the rebate program, as previously intended. We also recommend adjusting the bill to support, or prefer, a point-of-sale rebate program such as those in Vermont and Oregon. Though such implementation may increase complexity, point-of-sale rebate programs directly reduce the initial purchase price paid and have shown to be much more effective at influencing purchasing decisions for EVs.

Ulupono finds that electric vehicles (EVs) of all kinds are an important avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. EVs currently offer an effective option to advance clean, renewable ground transportation and provide immediate benefits to Hawai'i. This bill is an important measure for the State to push for the decarbonization of our economy and support for the LMI community while showing the world that Hawai'i is a clean energy leader.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

Investing in a Sustainable Hawai'i

Submitted on: 3/15/2022 9:05:08 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Roberta Baker	Individual	Oppose	Written Testimony Only

Comments:

SB3158 as written will negatively impact availability of public charging. Any programs for electric bikes and mopeds needs to have separate funding.

Therefore I oppose this bill. Public charging for EVs should have priority.

<u>SB-3158-SD-2</u> Submitted on: 3/15/2022 10:21:54 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ryan Christopher	Individual	Oppose	Written Testimony Only

Comments:

This will negativly impact the expansion of public charging.

SB 3158 SD 2 TESTIMONY

To: House Committee on Transportation Hearing on March 16, 2022 at 10:30 a.m.

From: John Kawamoto

Position: Oppose

This bill has been so egregiously amended that it deserves to proceed no further in the legislative process.

As introduced, the bill would have appropriated general funds to subsidize the purchase of electric motor vehicles and bicycles by low-income people. However, as described in STAND. COM. RPT. NO. 3100, the Senate Ways and Means Committee amended the bill by:

Requiring that, for a period of five years, three cents of the environmental response, energy, and food security tax assessed on each barrel of petroleum product be deposited into the electric bicycle and electric moped rebate special fund instead of the electric vehicle charging system subaccount of the public utilities commission special fund...

This amendment removes funding for electric vehicle charging stations, even though many more of them are needed if our society is to transition from gasoline powered vehicles to electric vehicles. That transition must happen if Hawaii is to achieve the net zero emissions goal established by the Legislature.

The amendment transfers those funds to a program that provides rebates for electric bicycles and electric mopeds. The idea for that kind of rebate program, in itself, is a good idea, but not if it cannibalizes funding for electric vehicle charging stations.

The committee report does not contain any justification for this amendment that transfers funding. Furthermore, this amendment is not even suggested by any testimony submitted to the Senate Ways and Means Committee. The justification for this amendment is not visible to the public.

This bill would hinder the transition from gasoline powered vehicles to electric vehicles, and it should be held by the committee.

<u>SB-3158-SD-2</u>

Submitted on: 3/15/2022 6:26:56 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephanie Hall Morin	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I'm all for increasing the adoption of EV transportation, but not at the expense of building out the charging infrastructure. If there is a big demand for mopeds and bikes, let's get additional funds to support the adoption of those through rebates. Mahalo.

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. HIGASHI EDUARDO P. MANGLALLAN PATRICK H. MCCAIN EDWIN H. SNIFFEN

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

March 16, 2022 10:30 A.M. State Capitol, Conference Room 423/Teleconference

S.B. 3158, S.D. 2 RELATING TO TRANSPORTATION

House Committee on Transportation

The Department of Transportation (DOT) **supports** this measure that proposes a program to subsidize the purchase of electric motor vehicles and electric bicycles.

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 executing a service contract where we pay for the use of light-duty electric vehicles replacing its fleet in 2021 with plans to continue to convert its fleet over the next few years. 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 requests this committee consider striking the Sections 4 and 5; recently released federal guidance advises that the proposed expenses are not eligible under the programs authorized by the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Legislation.

Additionally, the language in the preamble on transportation costs is misleading. The DOT considers land and housing costs the most significant factors in cost of living, and notes that its three modal divisions are very aware of how costs of transportation impact the cost of living for all Hawaii's residents. The department proactively aims to minimize these impacts through its projects.

Thank you for the opportunity to provide this testimony.

Submitted on: 3/15/2022 6:35:12 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lorn Hoku Douglas	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as itdiverts money from the charging infrastructure for electric vehicles. These chargers are of more importance at this time. Mahalo for you consideration.

Submitted on: 3/15/2022 7:08:08 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Miller	Individual	Oppose	Written Testimony Only

Comments:

I oppose taking the planned funds from EV Charging and using it for rebates on Bicycles and mopeds.

I believe a rebate for them would be a good idea but not at the expense of EV charging infrastructure. Perhaps a new bill could be proposed instead of stealing planned funds in the original bill.

Mahalo,

Gary Miller

<u>SB-3158-SD-2</u> Submitted on: 3/15/2022 9:26:43 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Paula Miller	Individual	Oppose	Written Testimony Only

Comments:

My name is Paula Miller and I am a resident of Ninole, on the Hamakua Coast of the Big Island.

I strongly urge you to oppose SB3158. The latest version of this bill will negatively impact the availability of public charging of electric vehicles, as it will divert rebate funds to a new program for electric bikes and mopeds. In general, I support all means of electric transportation, but it is harmful to the community to "rob Peter to pay Paul." In the infancy of building an adequate infrastructure to support electric vehicles, it is disheartening to see necessary funds diverted to a related but less urgent project, thereby losing momentum.

Please oppose SB3158.

Submitted on: 3/15/2022 7:09:21 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Martin	Individual	Oppose	Written Testimony Only

Comments:

I am writing to oppose the proposed rebate because it excludes electric cars and it takes funds from the Commercial EV Charger Rebate Program to fund this new program.

<u>SB-3158-SD-2</u> Submitted on: 3/15/2022 8:30:05 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith Neal	Individual	Oppose	Written Testimony Only

Comments:

Oppose

I generally support SB3158 SD2 as it will provide for low and moderate income Hawaii residents greater access to zero-emission transportation.

However, SB3158 SD2 needs restore the 3 cent deposit to the electric vehicle charging system sub-account. This is important because providing incentives promoting the adoption of electric vehicles.

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

Respectfully submitted,

-Keith Neal

<u>SB-3158-SD-2</u> Submitted on: 3/14/2022 3:06:41 PM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

I support this bill, with reservations. It is important to incentivize electric bicycles and mopeds as part of our transition to clean energy. However not all citizens can meet their transportation needs with two-wheeled vehicles, which are also inherently more dangerous than four-wheeled vehicles. It is also import to incentivize the purchase of electric cars and trucks, including used EVs. Furthermore, the funding mechanism in this bill (Section 3(a)4) is problematic, as it robs funding from the electric vehicle charging system account which is equally deserving of funding. Please amend SB3158 to include cars and to add a dedicated funding source which does not take away from other decarbonization initiatives.

<u>SB-3158-SD-2</u> Submitted on: 3/15/2022 8:18:22 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ron Reilly	Individual	Oppose	In Person

Comments:

Dear Chair Aquino, Vice-Chair Ilagan, and members of the Transportation Committee,

I respectfully urge your opposition to this bill in its current form.

I am a long time advocate for improved road design and road maintenance to better accommodate bicycles and pedestrians. For over a decade my partner and I were car-free in Honolulu. We enjoyed the health and financial benefits of being able to satisfy almost all of our transportation needs by bicycle. We were active with the Hawaii Bicycle League, and I was a nationally certified Effective Cycling instructor with the League of American Bicyclists, and for many years coached bicyclists in the skills needed to ride safely in Oahu traffic.

Having a subsidy for the purchase of electric bicycles and mopeds is an excellent idea. However, now in my later years and living on Hawaii Island, I am no longer physically able to travel the distances necessary by bicycle, and rely on my Kia Nero EV for my transportation needs. This bill must include bicycles, mopeds **and** electric vehicles.

Unfortunately SB3158, while benefiting bicyclists and mopeds, will work to limit the much needed funding to increase the number of public EV vehicle-charging stations. It is for this reason that I oppose this bill in its current form, and urge you to not refer this bill, or make the necessary amendments (to include electric vehicles) prior to passage.

Thank you for your consideration, Ron Reilly Volcano Village, Hawaii Island. Member Hawaii EV Association

<u>SB-3158-SD-2</u> Submitted on: 3/15/2022 10:29:23 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanette Vinton	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Aquino, Vice-Chair Ilagan and Committee Members,

I am writing in **opposition** of SB3158 which establishes a rebate program and special fund to encourage the purchase and use of electric bicycles and mopeds and allocates a portion of the barrel tax for the rebate program.

As a long-time EV owner, I am happy to see the significant EV growth in our state over the past few years. I agree with the intent of this bill to encourage more people to purchase other forms of clean transportation such as electric bikes and mopeds and help the state reach their zeroemission vehicle goals. However, I OPPOSE this bill with the changes made from the original bill which includes excluding electric motor vehicles as well a the major change of funding this rebate with the barrel tax allocation that is being used for the commercial charger rebate program. Other funding should be used for this program without penalizing incentives to increase the much needed charger infrastructure.

Respectfully submitted,

Nanette Vinton

Mililani, HI

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

DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY TESTIMONY BY CRAIG K. HIRAI DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE TO THE HOUSE COMMITTEE ON TRANSPORTATION ON SENATE BILL NO. 3158, S.D. 2

March 16, 2022 10:30 a.m. Room 423 and Videoconference

RELATING TO TRANSPORTATION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 3158, S.D. 2, establishes the Electric Bicycle and Electric Moped Rebate (EBEMR) Special Fund within the Department of Transportation to administer a rebate program that incentivizes the purchase of electric bicycles and electric mopeds. This bill reallocates three cents of the tax on each barrel of the Environmental Response, Energy, and Food Security Tax (Barrel Tax) that is currently deposited into the Electric Vehicle Charging System (EVCS) Subaccount to the EBEMR Special Fund. This bill appropriates an unspecified amount in FY 23 from the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law, for the EBEMR program. This bill also appropriates an unspecified amount in FY 23 from the IIJA to be deposited into the EVCS Subaccount of the Public Utilities Commission Special Fund.

B&F has concerns with the reallocation of the three cents of the tax on each barrel that is currently deposited into the EVCS Subaccount to the EBEMR Special Fund which would result in a revenue loss for the EVCS rebate program. Additionally, B&F notes that, with respect to the federal fund appropriations in this bill, the initial guidance for the National Electric Vehicle Infrastructure Formula grant program authorized under the IIJA indicates that eligible projects are directly related to electric vehicle charging infrastructure; therefore, it does not appear a rebate program is an appropriate or allowable use of IIJA funding.

Further, there is no special fund appropriation to support the program as envisioned in the bill.

Finally, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regard to S.B. No. 3158, S.D. 2, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

Submitted on: 3/15/2022 1:34:32 PM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
JC Sterbentz	Hawaii Bicycling League	Support	Written Testimony Only

Comments:

Hawaii Bicycling League supports SB3158 to encourage people to reduce their impact on the environment. Electric cars have the added advantage of improving the air quality on the streets which makes it more pleasant and healthier for those biking and walking. Electric bikes open up this mode of transportation to those who prefer not to get sweaty or out of breath yet want to enjoy the outdoors and pollute less. Providing this for lower-income residents will help give those struggling a healthy more affordable way to get around. Mahalo.

Submitted on: 3/15/2022 10:50:12 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Head	Individual	Oppose	Written Testimony Only

Comments:

The only way this should move forward is to allocate monies from somewhere else so it does not take away from EV incenctives. We should be doing everything we can to get people into Electric cars as well as bikes and mopeds but not one or the other!!

Submitted on: 3/15/2022 2:51:40 PM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gordon Karsin	Individual	Oppose	Written Testimony Only

Comments:

More money needs to go to EV cars not bikes

Submitted on: 3/15/2022 10:56:39 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Parsons	Individual	Oppose	Written Testimony Only

Comments:

Aloha Trusted Lawmakers!

I'm Steve Parsons and I strongly oppose this bill. I am a Candidate for KIUC's Board, Surfrider Foundation Member, EV Hawaii and Kauai, and Kauai Climate Action Coalition. This is a BAD bill please vote NO! Mahalo and IMUA>>>>

Steve Parsons, Wailua, Kauai

Submitted on: 3/16/2022 4:00:03 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Priscilla Rodriguez	Individual	Oppose	Written Testimony Only

Comments:

This bill will negatively impact the availability of the public charging.

Submitted on: 3/15/2022 3:20:45 PM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Peter Rosegg	Individual	Support	Written Testimony Only

Comments:

Senators, I am testifying in favor of this bill, which is a start toward the encouragement of electric bicycling in Hawaii. Like electric vehicles, electric bicycles and scooters are a big part of the futureof transportation in Hawaii, especially in Honolulu and other metropolitan areas. In addition to reducing dependence on gasoline, personal micro-mobility of all kinds reduces traffic congestion and, combined with safe operation, are healthy, invigorating and fun. While more is needed to foster an electric bicycling culture in Hawaii, this bill proposes a welcome first step. Better cycling infrastructure (that is bike lanes and paths), proper regulation of electic bikes (and scooters and skateboards) plus increased charging opportunities will all help. Please start by passing this bill. Thank you. Peter Rosegg

Submitted on: 3/16/2022 9:21:34 AM Testimony for TRN on 3/16/2022 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Chad K Taniguchi	Individual	Support	Written Testimony Only

Comments:

I support this bill for rebates to encourage more electric vehicle purchases including electric bicycles. Internal combustion engines contribute more to climate change, are noisy, and bad for the air--let's encourage people to switch to cleaner, more efficient vehicles.

Electric bicycles give more people more range and more options to replace their cars with a smaller, lighter, cleaner means of travel. They work well in Hawaii.

Please pass this bill.