

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

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**Testimony of
Leah Laramée
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission**

**Before the House Committee on
ENERGY & ENVIRONMENTAL PROTECTION**

**Tuesday, January 31, 2023
8:30 AM**

State Capitol, Via Videoconference, Conference Room 325

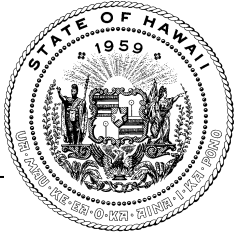
**In support of
House Bill 199
RELATING TO THE ENVIRONMENT**

House Bill 199 establishes a zero-emission vehicle fleet purchasing assistance program within the Hawaii state energy office to support the transition of private fleets to zero-emission vehicles. Designates the Hawaii state energy office as the agency responsible for developing and administering the program and requires the Hawaii state energy office to work with the department of transportation to design strategies to implement the zero-emission vehicle fleet purchasing assistance program. **The Hawaii Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.**

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.

In its November 2018 statement, the Commission emphasized that the State must transforming fleets to address VMT reduction, congestion, and emissions—especially through electrification, renewable fuels, carshare, and supporting infrastructure development and deployment. This zero-emission vehicle fleet purchasing assistance program helps to address these goals.

Mahalo for the opportunity to comment in support of this measure.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, January 31, 2023
8:30 AM
State Capitol, Conference Room 325 and Videoconference

Providing COMMENTS on
HB 199

RELATING TO THE ENVIRONMENT.

Chair Lowen, Vice Chair Cochran, and Members of the Committee, the Hawaii State Energy Office (HSEO) offers comments on HB 199 which establishes a zero-emission vehicle fleet purchasing assistance program within the Hawaii State Energy Office to make financing tools available to help Hawaii's private fleets transition to zero-emission vehicles.

HSEO supports the intent of HB 199 as the purpose is consistent with the energy and decarbonization policies of the State and HSEO programs and activities. In 2021, the Governor signed Act 74 to transition the State's light-duty fleets to zero-emission vehicles by 2035.¹ For Hawaii to meet its goal to be carbon negative, private fleets will also need to adopt zero-emission technologies wherever technically feasible. Innovative financing tools can help private fleets overcome barriers to zero-emission technology adoption.

The State has already begun implementing innovative financing tools on the public sector side. The Hawaii Department of Transportation (HDOT), in collaboration with the Hawaii State Procurement Office and HSEO, spearheaded an innovative financing contract for adoption of ZEVs and EVSE. Vehicles, fueling infrastructure, and energy can be provided on a dollar per mile basis mitigating upfront capital and operation and maintenance costs, concerns that serve as significant barriers to EV adoption. The service is available for all State and county agencies.

¹ https://www.capitol.hawaii.gov/slh/Years/SLH2021/SLH2021_Act74.pdf

Direct assistance typically in the form of grants or rebates is also needed during the early stages of the EV market. HSEO, in collaboration with the Hawaii Department of Health Clean Air Branch (HDOH CAB), implements a rebate program that provides up to 45 percent of the cost of a zero-emission medium- and heavy-duty vehicle through the Diesel Replacement Rebate (DRR). DRR is funded through the U.S. Environmental Protection Agency's (EPA) Diesel Emission Reduction Act (DERA) and Volkswagen Settlement funds. By working together HSEO and DOH CAB are able to qualify for additional incentive dollars from the EPA through the DERA program to provide additional funding for DRR. HSEO is reviewing potential opportunities through the Inflation Reduction Act to leverage the framework of the DRR rebate to pursue additional federal funds and technologies.

Another example of innovative vehicle financing is California's CalCAP loan loss reserve program, which provides lenders that finance new low-emission diesel trucks up to 100% coverage on losses from certain loan defaults.² The program has helped finance trucks with loan guarantees for an average of about \$5,000 per vehicle.

HSEO is continuing to review HB199 and has reached out to relevant agencies for input. HSEO is looking into the program requirements as well as what institutions and agencies are structurally set up with the tools and expertise in financial instruments to develop and implement such a program, much like the California Treasurers Office implements California's CalCAP new diesel truck loan guarantee program. HSEO also has concerns that a timeline to research, develop, and launch a program by January 1, 2024, is too compressed and that a funding source has not been identified for the financial instruments. HSEO stands ready to work with the legislature, government agencies, and stakeholders of how best to structure a program that meets the intent of HB 199.

Thank you for the opportunity to testify.

² <https://www.treasurer.ca.gov/cpcf/calcap/arb/index.asp>.



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Tuesday, January 31, 2023 — 8:30 a.m.

Ulupono Initiative supports HB 199, Relating to the Environment.

Dear Chair Lowen and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-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 choices, and better management of freshwater resources.

Ulupono supports HB 199, which establishes a zero-emission vehicle fleet purchasing assistance program within the Hawai'i State Energy Office to support the transition of private fleets to zero-emission vehicles; designates the Hawai'i State Energy Office as the agency responsible for developing and administering the program; and requires the Hawai'i State Energy Office to work with the Department of Transportation to design strategies to implement the zero-emission vehicle fleet purchasing assistance program.

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. Ulupono finds that zero-emission vehicles (ZEVs) of all kinds, such as electric vehicles, are an important avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. ZEVs currently offer an effective option to advance clean, renewable ground transportation and provide immediate benefits to Hawai'i. By tackling the top source of greenhouse gas emissions in ground transportation, this measure seeks to solidify Hawai'i's commitment to a clean, renewable future.

In addition, establishing a ZEV fleet purchasing assistance program works in conjunction with SB 973, which requires lessors of rental motor vehicles to incorporate ZEVs or plug-in hybrid electric vehicles, or both, into the lessor's rental motor vehicle fleets.

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 the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

HB-199

Submitted on: 1/29/2023 8:32:11 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Parsons	Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

Aloha Trusted Leaders,

FAST EV (Electric Vehicles) adoption is part of curbing the climate crisis for future generations and STOPPING Climate Pollution that is hurting the health and livelihood of the people and visitors of Hawaii. Private Fleets, including non-profits, needs help with funding transition to EVs. These groups will now be able to serve others and have all breathing better!

Mahalo,

Steve Parsons, Kauai Climate Action Coalition!

Hanapepe Kauai



DATE: Tuesday, January 31, 2023
TIME: 8:30AM
PLACE: VIA VIDEOCONFERENCE and Conference Room 325
BILL: HB 199, Relating to the Environment

Aloha Chair Lowen, Vice Chair Cochran and members of the committee!

On behalf of the Hawai'i Automobile Dealers Association (HADA), I'm providing comments on House Bill 199, relating to the environment. This bill establishes a zero-emission vehicle fleet purchasing assistance program within the Hawai'i state energy office to support the transition of private fleets to zero-emission vehicles and designates the Hawai'i state energy office as the agency responsible for developing and administering the program and requires the Hawai'i state energy office to work with the department of transportation to design strategies to implement the zero-emission vehicle fleet purchasing assistance program.

HADA supports working collaboratively with policy leaders to assist our state to reach its clean energy goals. We hope to ensure that together we create a realistic timeframe where Hawaii's dealers can assist the State in meeting its goals. We ask that governmental leaders consider availability and current cost of zero emissions vehicles so that goals can be set without compromising the state's overall clean energy strategy. We also hope any program developed does not encourage or increase out of state vehicle purchases or unintentionally negatively affect Hawaii's electrical grid. We need to ensure there is sufficient clean energy and infrastructure available to "fuel" the zero-emission fleet vehicles.

HADA encourages the State to remain flexible as lower emissions goals can be achieved through a variety of options all of which are being developed at a rapid pace. We believe untimely incentives may push agencies or businesses to make choices that may not be economically feasible or are impracticable. We look forward to contributing positively to the dialog about how best to achieve Hawai'i's clean energy goals.

The Hawai'i Automobile Dealers Association is the voice of more than 60 new car dealerships across the islands, accounting for over 4,000 direct jobs, \$6 billion total sales and more than \$250 million in general excise taxes paid.

HB-199

Submitted on: 1/29/2023 10:47:22 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

The Climate Protectors Hawaii **strongly supports** this bill!

The transportation sector accounts for over two-thirds of the oil imported into the State. Purchasing all of that fossil fuel to run our vehicles drains our pockets and exacerbates the climate crisis.

This bill would facilitate the transition to 100% clean ground transportation by providing private vehicle fleets with a zero emissions vehicle purchasing assistance program through the Hawaii State Energy Office.

Please pass this important bill!

Climate Protectors Hawaii (by Ted Bohlen)



January 31, 2023

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON ENERGY AND
ENVIRONMENTAL PROTECTION
ON HB 199 RELATING TO THE ENVIRONMENT**

Aloha Chair Lowen, and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with over 350 members involved with the commercial ground transportation industry.

HTA strongly supports ZEV fleet purchasing assistance programs

Trucking companies in Hawaii are at the “Mom and Pop” scale and are unable to turnover their vehicles to alternatives that cost from three to five times the amount of gasoline or diesel powered ones, depending on type and application.

That capital cost alone makes the fleet turnover a daunting task, so financing assistance is essential. This will still take time as the supply of ZEVs is far behind in the delivery curve by years.

Yet, ordering and purchasing the ZEV is the easier part of the equation. Even more daunting is the charging infrastructure required. These infrastructures require much space and great investment, unlike personal vehicle systems. There is already a space crunch to park vehicles within a terminal area and off the streets.

The investment is particularly onerous when you do not own the land you operate on. You cannot easily uproot and transport the system to a new location after sinking so much capital into the initial installation. Assistance in this arena is also critical.

Mahalo.

Hawaii Electric Vehicle Association

hawaiiev.org
info@hawaiieva.com



January 30, 2023

Dear Chair Lowen, Vice Chair Cochran, and members of the Committee,

The Hawaii Electric Vehicle Association (Hawaii EV) supports HB199 but has suggested revisions discussed herein.

We strongly support the purpose of HB199 to accelerate the transition of private fleets to EVs by a specified date.

We recommend that the specified date be **2035**, which is the adopted date by most Hawaii counties for transitioning their own fleets to EVs.

As currently drafted, the bill primarily directs the Hawaii State Energy Office to work with the Department of Transportation to develop tools and strategies to assist the transition of private fleets to EVs. While Hawaii EV strongly supports this purpose we feel that the bill needs additional teeth at this time. We are not supportive of proposed “ICE ban” bills that would prohibit any internal combustion vehicle purchases by a set date (e.g., California and various European nations have adopted this approach), but we are supportive of a standards-based approach for private fleets in Hawaii. Under this standards-based approach a certain percentage of new vehicle purchases would need to be EVs or other zero emission vehicle technology by a set date.

We recommend including the following “private fleet electric vehicle purchase standard” into the current bill as follows:

- X% of new vehicle purchases must be EVs by 2025
- X% of new vehicle purchases must be EVs by 2030
- X% of new vehicle purchases must be EVs by 2035

We also recommend the following be included:

- Require that utility commercial charger installation programs prioritize installation of public fast chargers (DCFCs) in high traffic tourist sites, near and in airports, and at rental fleet and other private fleet locations

- Training by DOT staff for car rental fleet owners and their staff on EVs and EV charging
- Higher BEV rebates available for private fleets
- Higher BEV state rebates for orders of 10 or more cars at a time, in order to spur larger purchases by private fleets

We will likely have additional recommendations in future testimony on this bill.

Thank you for this opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "TH", written over a horizontal line.

Tam Hunt
Board Member and Policy Manager
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

Hawaii Electric Vehicle Association

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January 31, 2023

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Yet, ordering and purchasing the ZEV is the easier part of the equation. Even more daunting is the charging infrastructure required. These infrastructures require much space and great investment, unlike personal vehicle systems. There is already a space crunch to park vehicles within a terminal area and off the streets.

The investment is particularly onerous when you do not own the land you operate on. You cannot easily uproot and transport the system to a new location after sinking so much capital into the initial installation. Assistance in this arena is also critical.

Mahalo.

HB-199

Submitted on: 1/27/2023 9:47:33 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

zero Emesions is not needed. All of this is Falsely begin sold to the Public!!!!

HB-199

Submitted on: 1/29/2023 1:23:50 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

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

Comments:

I support HB199

HB-199

Submitted on: 1/29/2023 7:32:58 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Diaz	Individual	Support	Written Testimony Only

Comments:

Aloha EEP Chair Lowen, & EEP Committee members:

I strongly support HB199: RELATING TO THE ENVIRONMENT.

The State of Hawaii needs to establish a zero-emission vehicle fleet purchasing assistance program within the Hawaii State Energy office to transition to zero-emission vehicle fleets. Hawaii State Energy office should be responsible for developing and administering the program and requires the Hawaii state energy office to work with DOT to implement the zero-emission vehicle fleet purchasing assistance program.

Mahalo, Chair Lowen for introducing HB199 and leading the EEP committee to responsibly move Hawaii's transportation to EV's in order to protect Hawaii and our planet.

Mahalo with Aloha,

Lisa Diaz, 76-223 Haoa St.; Kailua-Kona, HI 96740

HB-199

Submitted on: 1/30/2023 9:33:15 PM

Testimony for EEP on 1/31/2023 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB199.