

TESTIMONY OF  
LEODOLOFF R. ASUNCION, JR.  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII

TO THE  
SENATE COMMITTEE ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

February 14, 2023  
01:02 p.m.

Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

**MEASURE:** S.B. No. 459

**TITLE:** RELATING TO THE HYDROGEN FUELING SYSTEM SUBACCOUNT

**DESCRIPTION:** Appropriates funds from the Hydrogen Fueling System Subaccount within the Public Utilities Commission Special Fund for the Zero-Emission Vehicle Fueling System Rebate Program.

**POSITION:** The Public Utilities Commission (“Commission”) supports this measure and offers the following comments for consideration.

**COMMENTS:**

The Commission supports this measure, which appropriates funds for the Zero-Emissions Vehicle (ZEV) rebate program, which was established via Act 241 SLH 2022. It is the Commission’s understanding that this program requires direct appropriation in order for the Commission to expend deposited barrel tax funds. Therefore, this added language is necessary to ensure proper establishment of the ZEV rebate program.

The Commission notes that the proposed appropriation amounts are based on the ongoing and estimated deposits from 3 cents of the barrel tax, with initial collections having begun in July 2022 via Act 241 SLH 2022. The Commission is also currently seeking a recurring or permanent spending authority for this ZEV program, via SB 354/HB 300. However, the Commission observes that the ceiling for spending authority in SB354/HB300 is currently requested at a \$750,000 level and requests that should this measure pass, that level be increased to \$1,000,000 to ensure that the Commission can expend the full amount of funds.

Thank you for the opportunity to testify on this measure.



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Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair  
Committee on Energy, Economic Development, and Tourism

**RE: SB 459 - Relating to the Hydrogen Fueling System Subaccount – In Support  
February 14, 2023; 1:02 P.M.**

Aloha Chair DeCoite, Vice Chair Wakai, and members of the committee:

Servco is in support of SB 459, which appropriates funds from the Hydrogen Fueling System Subaccount within the Public Utilities Commission Special Fund for the Zero-Emission Vehicle Fueling System Rebate Program.

The demand for alternative forms of refueling vehicles will continue to grow in support of Hawaii's 100% energy goals. A significant barrier to the adoption of zero-emission vehicles is access to fueling stations.

With efforts underway to accelerate Hawaii Pacific Hydrogen Hub proposal to the US Department of Energy's Regional Clean Hydrogen Hub (H2Hub) program, SB 459 recognizes that additional resources for fueling stations are required to compliment the H2Hub production, processing, delivery, storage, and end-use of clean hydrogen.

Servco has invested millions of dollars into hydrogen production facilities and will continue to invest as we believe in its future. The long-term export potential of hydrogen across the globe is not only a revenue generating opportunity but also yields environmental benefits. We appreciate the efforts made by the State Legislature to make improvements to the program in pursuit of our clean energy mandate.

Thank you for the opportunity to provide comments in support.

Peter Dames  
Executive Vice President