

# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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GOVERNOR

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## Testimony of MARK B. GLICK, Chief Energy Officer

### before the SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

January 31, 2023  
3:00 PM

State Capitol, Conference Room 224 and Videoconference

In SUPPORT of  
**SB 809**

### RELATING TO TRANSPORTATION.

Chair Lee, Vice Chair Inouye, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports SB 809, which appropriates funding for the electric mobility rebate program and expands eligibility of the program to micro-mobility options such as to electric powered standing scooters, skateboards and other similar devices.

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 809 supports the proliferation of low-emission transportation options, including micro-mobility options which can reduce transportation emissions.

SB 809 may be particularly impactful in reducing fossil-fuel powered vehicle miles traveled and related transportation emissions because the majority of trips taken in Hawaii are short trips, the ideal trip to be made via micro-mobility options. According to the Drivers of VMT and Priority Reduction Strategies Report for Hawaii, 30% of all trips made are under 1 mile, 60% of trips made are under 3 miles, and 70% of trips made are under 5 miles.<sup>1</sup> This presents the State the tremendous opportunity to reduce

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<sup>1</sup> “Drivers of VMT and Priority Reduction Strategies for Hawaii.” State Smart Transportation Initiative. 2022.

fossil-fuel powered vehicle miles traveled and related transportation emissions by incentivizing the purchase of micro-mobility options that could serve residents' short trip needs.

SB 809 can reduce the cost of transportation for residents who need it the most. After housing, childcare, and food, the cost of transportation in Hawaii represents the biggest monthly expense for many residents.<sup>2</sup> While the high costs affect everyone, they especially hit low-income people who are struggling to get by. The average cost of owning a vehicle in Hawaii is \$8,100 annually, or \$675 per month, when factoring in the various costs, including gas, maintenance and insurance.<sup>3</sup> With 80% of Hawaii households owning two or more cars<sup>4</sup>, households who do own at least two cars face a \$16,200 annual expense, or about \$1,350 a month for transportation. Rebates for electric bicycles, scooters, and other micro-mobility devices will provide low-income residents with greater access to a diversity of affordable travel options while helping reduce Hawaii's greenhouse gas emissions.

HSEO would like to suggest that the language specifying that an electric micro-mobility device is "designed to transport a single person" be removed. In order to achieve the full benefits of micro-mobility adoption, the rebate should include devices that may assist people taking their children to school, kupuna on errands, among other examples. This will expand the number of trips people may swap from their cars to electric micro-mobility devices, reducing residents' transportation costs, vehicle miles traveled, and greenhouse gas emissions. HSEO's defers to the Department of Transportation regarding program funding, structure and administration.

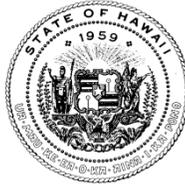
Thank you for the opportunity to testify.

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<sup>2</sup> <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includ%20gas%2C%20maintenanc%20and%20insurance.>

<sup>3</sup> <https://ulupono.com/news-listing/report-examines-hawaii-s-21-8-billion-vehicle-economy/>

<sup>4</sup> <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includ%20gas%2C%20maintenanc%20and%20insurance.>



**LATE**

**TESTIMONY BY:**  
EDWIN H. SNIFFEN  
DIRECTOR

Deputy Directors  
DREANALEE K. KALILI  
TAMMY L. LEE  
ROBIN K. SHISHIDO  
JAMES KUNANE TOKIOKA

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
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January 31, 2023  
3:00 P.M.  
State Capitol, Conference Room 224/Teleconference

**S.B. 809**  
**RELATING TO TRANSPORTATION**

Senate Committee on Transportation and Culture and the Arts

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The Department of Transportation (DOT) **supports** this measure with recommendations. This measure changes the name of the electric bicycle and electric moped rebate program to the electric mobility rebate program and expands the scope of the program to include electric micro-mobility devices and an additional rebate type.

The DOT is committed to administering this rebate program as it aligns with the state's clean energy goals and supports the wide-spread adoption of small electric vehicles. This program will offer lower cost and zero-emission travel and commuting alternatives to Hawai'i's residents. The current version of this measure provides flexibility for the department to effectively manage this program.

Implementation of the electric bicycle and electric moped rebate program created by Act 306, Session Laws of Hawaii 2022 was delayed as the bill did not provide for expenditure authority of the general funds appropriated. Although the highway development special fund electric bicycle and electric moped subaccount was created with the intent to be used for the electric bicycle and electric moped rebate program, the highway development special fund was intended for deposits to and expenditures from support of the Highways Capital Improvement program. We recommend language in H.B. 1103 and S.B. 1401 which addresses this.

Thank you for the opportunity to provide testimony.



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SENATE COMMITTEE ON TRANSPORTATION & CULTURE & THE ARTS  
Tuesday, January 31, 2023 — 3:00 p.m.

**Ulupono Initiative supports SB 809, Relating to Transportation.**

Dear Chair Lee 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 SB 809**, which renames the Electric Bicycle and Electric Moped Rebate Program as the Electric Mobility Rebate Program and expands the scope of the program to include electric micro-mobility devices and an additional rebate type.

We would enthusiastically applaud the expansion of the program to more electric mobility devices, the addition of more funding for the program, and increased support available for those for whom access to affordable and reliable transportation can be life-changing. In 2022, the City of Denver's e-bike subsidy program touted the following outcomes<sup>1</sup>:

- Delivering actual mode shift and reduced emissions
  - On average, e-bike users ride 26 miles a week with 22 of those miles replacing car travel
  - 71% of survey respondents said they are using gas-powered vehicles less often
  - E-bikes in the rebate program are replacing on average more than 100,000 vehicle miles weekly
- Improving access to opportunities and destinations for those who need it
  - On average, income-qualified residents ride their e-bikes more than standard rebate recipients—32 miles weekly vs. 22 miles weekly
- Illustrating how the subsidy made a difference in their consumer decisions
  - 96% of respondents said the voucher made the difference when deciding to buy an e-bike

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<sup>1</sup> <https://www.denverpost.com/2023/01/05/ebike-rebate-program-denver-2023/>



Ulupono Initiative welcomes these same types of benefits here in Hawai'i with the anticipated launch of Hawai'i's program in February 2023.

We offer two recommendations for consideration based on the Transportation Research and Education Center's 2022 white paper on "Using E-bike Purchase Incentive Programs to Expand the Market—North American Trends and Recommended Practices."<sup>2</sup>

- Remove the lack of car registration requirement, currently as follows: "Do not own a registered motor vehicle with four or more wheels, as demonstrated by an affidavit signed by the applicant at the time of sale of the new electric bicycle or electric micro-mobility device, which may be audited by the department of transportation." As evidenced by the Denver program, it may be more beneficial to help people first go "car-light." It also complicates the rebate program with the additional requirement.
- Evaluate the program annually to ensure it is meeting its stated outcomes. It would also be beneficial to assess other outcomes desired by other state goals such as vehicles miles traveled, mode shift, active living, etc.

Electric mobility devices can transform our community's transportation habits easily and help provide real transportation choices. We look forward to the success of the program.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

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<sup>2</sup> [https://ppms.trec.pdx.edu/media/project\\_files/E-bike\\_Incentive\\_White\\_Paper\\_5\\_6\\_2022.pdf](https://ppms.trec.pdx.edu/media/project_files/E-bike_Incentive_White_Paper_5_6_2022.pdf)



January 30, 2023

Senator Chris Lee  
Senator Lorraine Inouye

**Subject:** Support for SB809, Expanding the Electric Bicycle and Electric Moped Rebate Program

Dear TCA Committee Chairs Lee and Inouye,

On behalf of the PeopleForBikes Coalition, I write to you in support of SB809, that if signed into law, would expand the electric bicycle purchase incentive program in Hawai'i.

The PeopleForBikes Coalition is the national advocacy group that works for better policies and infrastructure for bike riding. We are the sole national trade association, representing over 320 manufacturers, suppliers, and distributors of bicycle products and representing over 1.4 million riders in the U.S. We work to make bike riding a safer and more inclusive activity for everyone, including those who ride electric bicycles.

Electric bicycles are the future of personal mobility and recreation thanks to their environmental benefits and their inclusive nature. They are becoming increasingly popular as they allow people to relieve themselves of the financial burdens associated with car ownership. Electric bicycles have made significant progress in the last ten years. With advancements in battery technology, motor design, and cargo carrying capacity, electric bicycles are now a viable full-time transportation option for many Americans. We are firm believers that electric bicycles are a critical tool for achieving our nation's climate, environmental, health, and transportation objectives.

We applaud your leadership to create an electric bicycle purchase incentive program. Considering lessons we have learned from supporting and tracking similar legislation across the nation, several aspects of SB809 stand out positively. First, raising the percentage of purchase price covered through this program to 40% will allow low-income customers to more fully afford high-quality reliable bicycles. Secondly, lowering the eligible age from 18 to 16 will allow more students to consider the option of an electric bicycle rather than a car when they reach legal driving age, enabling more sustainable habits to form at this important juncture. Finally, we applaud the inclusion of an additional assistance rebate for customers needing extra financial backing to take advantage of this new program.

Lastly, we would like to offer the following thoughts on the language of the bill for your consideration.

1. **Make the program voucher-based or provide an instant rebate option.** Despite the inclusive provisions in the bill, low-income customers are far less likely to have the funds

available to purchase an electric bicycle at full cost then wait months for a rebate check, which may discourage them from using the program. Creating a program that is centered around voucher-based incentives or instant rebates makes it much more appealing to consumers that could benefit from the electric bicycles the most. PeopleForBikes has examples of how this has been done in other states - including [Vermont](#), [Connecticut](#), and [Denver](#) via approved retailer application - and would be happy to share that information.

2. **Modify bill language to be inclusive of online retailers.** The bill language currently seems to suggest that all customers will be purchasing from brick-and-mortar retail stores. While we understand the many brands do not ship to Hawai'i, some indeed do and customers would benefit from these retailers being eligible for this incentive. This would better serve customers who do not live near an e-bike retailer, as well as offering all customers expanded options to meet their unique needs. The eventual program administrator could design an application process by which online brands would have to prove that their bicycles can be serviced locally and that their batteries and components meet industry safety standards.
3. **Make safety accessories eligible purchases.** Additional financial incentives for bicycling safety accessories (i.e. helmet, lock, panniers, baskets, etc.) may further encourage the use of the program and diverse participation. This is especially true for new riders and/or enabling those transporting children and cargo loads, which is essential to replacing many types of car trips.

Thank you again for your leadership on this important issue. We believe that the most successful electric bicycle incentive programs are ones that are created alongside local advocates and retailers. We want to continue supporting this bill as you usher it through the legislative process.

I appreciate your consideration and welcome the opportunity to provide any further information.

Sincerely,

Kyler Blodgett  
State & Local Policy Analyst  
PeopleForBikes Coalition