

#### **ON THE FOLLOWING MEASURE:** S.B. NO. 2769, RELATING TO CLIMATE CHANGE.

# **BEFORE THE:**

SENATE COMMITTEES ON TRANSPORTATION AND CULTURE AND THE ARTS AND ON AGRICULTURE AND ENVIRONMENT

DATE:	Thursday, February 8, 2024	TIME: 3:00 p.m.	
LOCATION: State Capitol, Room 224 and Videoconference			
TESTIFIER(S	<b>,</b> 1 , 2	Anne E. Lopez, Attorney General, or Lyle T. Leonard, Deputy Attorney General	

Chairs Lee and Gabbard and Members of the Committees:

The Department of the Attorney General offers the following comments on this bill.

The purpose of this bill is to require all state, county, and private bus operators to upgrade to zero emission buses by 2045. The bill requires private bus operators to purchase zero emissions buses as a condition to issuance of (1) a certificate of public convenience and necessity, or (2) a permit for contract carriers by motor vehicle, under chapter 271, Hawaii Revised Statutes (HRS). See page 6, lines 13-18, page 10-11, lines 21-4, and page 13, lines 18-21.

It appears the purchasing restrictions imposed by this bill, as applied to private bus operators, conflicts with the federal Clean Air Act (CAA) and would be subject to challenge as preempted under the Supremacy Clause of the U.S. Constitution. The CAA provides that:

No State or any political subdivision thereof shall adopt or attempt to enforce any standard relating to the control of emissions from new motor vehicles or new motor vehicle engines subject to this part. No State shall require certification, inspection, or any other approval relating to the control of emissions from any new motor vehicle or new motor vehicle engine as condition precedent to the initial retail sale, titling (if any), or registration of such motor vehicle, motor vehicle engine, or equipment.

42 United States Code (USC) § 7543(a).

Testimony of the Department of the Attorney General Thirty-Second Legislature, 2024 Page 2 of 3

The CAA, at 42 USC § 7550, defines a motor vehicle as "any self-propelled vehicle designed for transporting persons or property on a street or highway." A bus is considered a motor vehicle. A mandate requiring bus operators to purchase only zero emissions vehicles is an emission standard.

In *Am. Auto. Mfrs. Ass'n v. Cahill*, 152 F.3d 196, (2d Cir. 1998), the United States Second Circuit Court of Appeals found that:

"[the Zero Emissions Vehicles (ZEV) sales requirement] mandates only that a specified percentage of the cars sold by a manufacturer in any model year be ZEVs. Nevertheless, the ZEV sales requirement must be considered a standard "relating to the control of emissions." ZEV, after all, stands for "zero-emission vehicle," and a requirement that a particular percentage of vehicle sales be ZEVs has no purpose other than to effect a general reduction in emissions."

*Id.* at 200 (finding the requirement preempted: "the parties seem to have assumed that, if New York's ZEV requirement is a Section 209 "standard," then it is preempted. We

agree with that assumption").

It does not matter that this bill imposes a purchase requirement rather than a sales restriction.

"In addition to having no basis in the text of the statute, treating sales restrictions and purchase restrictions differently for pre-emption purposes would make no sense. The manufacturer's right to sell federally approved vehicles is meaningless in the absence of a purchaser's right to buy them. . . . <u>A command, accompanied by sanctions, that certain purchasers may buy only vehicles with particular emission characteristics is as much an "attempt to enforce" a "standard" as a command, accompanied by sanctions, that a certain percentage of a manufacturer's sales volume must consist of such vehicles. We decline to read into § 209(a) a purchase/sale distinction that is not to be found in the text of § 209(a) or the structure of the CAA."</u>

Engine Mfrs. Ass'n v. S. Coast Air Quality Mgmt. Dist., 541 U.S. 246, 255 (2004) (emphasis added).

In *Engine Mfrs.*, state air quality management district rules required local fleet operators to purchase or lease only vehicles that met state motor vehicle pollution standards. *Id.* at 248-49. The Court found that the requirement set "standards" within the meaning of the Clean Air Act. *Id.* at 255. Like the regulation in *Engine Mfs.*, the

Testimony of the Department of the Attorney General Thirty-Second Legislature, 2024 Page 3 of 3

regulation here would require certain purchasers of motor vehicles to purchase motor vehicles that meet an emission standard.

The State may, however, adopt laws that direct state and local governments to purchase, procure, lease, or contract for use of vehicles meeting specified air pollution criteria. *Engine Mfrs. Ass'n v. S. Coast Air Quality Mgmt. Dist.,* 498 F.3d 1031, 1045-46 (9th Cir. 2007). This is because such laws "constitute direct state participation in the market. We so conclude even though not only the state, but also some of its political subdivisions, are directed to take these actions." *Id.* 

Therefore, to address the potential CAA conflict, we recommend that the Committee amend the bill to apply only to state and county buses and not private bus operators.

Thank you for the opportunity to testify.

JOSH B. GREEN, M.D. GOVERNOR KE KIA'ĀINA



BONNIE KAHAKUI ACTING ADMINISTRATOR

#### STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I STATE PROCUREMENT OFFICE

P.O. Box 119 Honolulu, Hawaii 96810-0119 Tel: (808) 586-0554 email: <u>state.procurement.office@hawaii.gov</u> <u>http://spo.hawaii.gov</u>

#### TESTIMONY OF BONNIE KAHAKUI, ACTING ADMINISTRATOR STATE PROCUREMENT OFFICE

#### TO THE SENATE COMMITTEES ON TRANSPORTATION AND CULTURE AND THE ARTS AND AGRICULTURE AND ENVIRONMENT February 8, 2024, 3:00 p.m.

SENATE BILL 2769

# RELATING TO CLIMATE CHANGE

Chair Lee, Chair Gabbard, Vice Chair Inouye, Vice Chair Richards, and members of the committees, thank you for the opportunity to submit testimony on Senate Bill 2769. The State Procurement Office's (SPO) appreciates the intent of the but opposes the additional language that is proposed to be added to 103D-211, HRS.

**Comments**: Specifications for motor vehicles **should not** be in 103D-211, HRS. The Procurement Policy Board is responsible to adopt ALL rules to implement the procurement statutes under Chapter 103D, HRS, and not specifically for one specific goods or services. The Hawaii Procurement Code (Code), is meant for general procurement methods at a high level. It should not be a receptable for all industry-specific specifications or goals as this will, over time, create a vast, and complicated Code that will confuse buyers because they will not be able to trust that specifications are in the respective chapter and procurement specific requirements are lost within the sea of specifications.

**Recommendation**: Chapter 103D-211, HRS, should revert to its original language by deleting Section 2, page 3, line 14, and Section 3, page 4, lines 1-14. The bill should read as follows:

**"§103D-211 Procurement rules.** (a) The procurement policy board shall adopt all rules necessary to carry out the purposes of this chapter and to implement its provisions in accordance with chapter 91. The policy board shall not delegate its power to adopt rules.

Senate Bill 2769 Senate Committee on Transportation and Culture and the Arts Senate Committee on Agriculture and Environment February 8, 2024 Page 2

[(b) Regarding the procurement of motor vehicles capable of transporting more than fifteen passengers, the procurement policy board shall promptly adopt all rules necessary to transition to one hundred per cent zero emission buses as guickly as possible, but no later than January 1, 2045.

<u>As used in this subsection:</u>

<u>"Pollutant" means hydrocarbons, carbon monoxide, carbon dioxide, nitrogen</u> oxides, and lead.

<u>"Zero emission bus" means a motor vehicle capable of transporting more than</u> <u>fifteen passengers that produces zero exhaust emissions of any pollutant and</u> <u>includes battery electric powered buses and hydrogen fuel cell electric powered</u> <u>buses, but does not include any vehicle, locomotive, or car operated exclusively</u> <u>on a rail or rails.</u>]

(b) No rule shall change any commitment, right, or obligation of the State or of a contractor under a contract in existence on the effective date of such rule."

Furthermore, the SPO suggests that language pertaining to transportation of more than fifteen passengers be kept in HRS Chapter 271, Motor Carrier Law, and Section 302A-407, School bus contracts.

Thank you.

JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR

MARK B. GLICK CHIEF ENERGY OFFICER



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Telephone: Web: (808) 451-6648 energy.hawaii.gov

# Testimony of MARK B. GLICK, Chief Energy Officer

# before the SENATE COMMITTEES ON TRANSPORTATION AND CULTURE AND THE ARTS AND AGRICULTURE AND ENNVIRONMENT

Thursday, February 8, 2024 3:00 PM State Capitol, Conference Room 224 and Videoconference

Providing Comments on **SB 2769** 

# RELATING TO CLIMATE CHANGE.

Chairs Lee and Gabbard, Vice Chairs Inouye and Richards, and Members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 2769 which requires all state, county, and private bus operators to upgrade to zero emission buses by 2045.

Ground transportation remains a substantial contributor to greenhouse gas emissions. In 2019, ground transportation contributed 4.03 MMT CO2e, making up 18.3% of the aggregated gross total of 22.01 MMT CO2e emissions in the state.<sup>1</sup> For Hawai'i to meet its statutory target "to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045", programs that support the adoption of cleaner transportation options are necessary and important.<sup>2</sup>

Hawai'i has been moving aggressively to address the emissions from transportation with the passage of Act 74 in 2021 setting the goal to transition the state's light duty fleet by 2035 and prohibiting the procurement of internal combustion engine

<sup>&</sup>lt;sup>1</sup> State of Hawaii, Department of Health. Greenhouse Gas Inventory <u>Hawai'i Greenhouse Gas Emissions Report for</u> 2005, 2018, and 2019 (hawaii.gov)

<sup>&</sup>lt;sup>2</sup> Hawai'i State Energy Office (2023). <u>Hawai'i Pathways to Decarbonization</u>, Act 238 Report to the 2024 Hawai'i <u>State Legislature (Act 238 Report)</u>

passenger vehicles without an exemption from the Comptroller, Department of Accounting and General Services, starting January 1, 2022. Act 74 also updated procurement guidelines to incorporate medium- and heavy-duty (MHD) vehicles putting a priority on the procurement of (1) zero-emission vehicles, (2) plug-in hybrid electric vehicles, (3) alternative fuel vehicles, and (4) hybrid electric vehicles. Hawai'i has also signed onto the Multi-State Medium-and Heavy-Duty Zero Emission Vehicle (ZEV) MOU setting a goal, among other things, that 30% of all medium- and heavy-duty vehicle sales are ZEVs by 2030 and 100% by 2050.

HSEO also provides financial incentives to stimulate adoption of MHD ZEVs by both the public and private sector. Under its collaboration with the Hawai'i Department of Health – Clean Air Branch, HSEO offers rebates under the Diesel Replacement Rebate (DRR) program. The DRR program leverages the Environmental Protection Agency (EPA) Diesel Emission Reduction Act (DERA) and Volkswagen Settlement funds to receive a bonus incentive from the EPA to fund rebates here in Hawai'i. HSEO has also submitted an application under the EPA's competitive DERA program to expand the DRR program. The HSEO is also working with the Hawai'i Department of Transportation, Hawai'i County, Kaua'i County, and Maui County on a zero-emission bus program to replace up to 12 MHD diesel buses with ZEV transit buses leveraging Federal Transit Administration Low-No Program grants and Volkswagen Settlement funds.

It is critical that ground transportation needs are addressed to ensure achievement of a net-negative carbon economy as soon as practicable and no later than 2045. The transit and school bus sector are meaningfully contributing to the equitable decarbonization of transportation by serving communities other than those who are served predominantly by single passenger vehicles. The HSEO stands ready to support affected agencies to collaborate on the adoption of ZEV buses.

Thank you for the opportunity to testify.



Co-Chairs: Chair, DLNR Director, OPSD

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

#### COMMISSION Dir POST OFFICE BOX 621 Ch HONOLULU, HAWAII 96809 Dir Dir Testimony of Th

STATE OF HAWAI'I

HAWAI'I CLIMATE CHANGE MITIGATION & ADAPTATION

# Leah Laramee Coordinator, Hawai'i Climate Change Mitigation and Adaptation Commission

# Before the Senate Committees on TRANSPORTATION AND CULTURE AND THE ARTS AND AGRICULTURE AND ENVIRONMENT

# Thursday, February 8, 2024 3:00 p.m. State Capitol, Conference Room 224 & Videoconference

# In consideration of SENATE BILL 2769 RELATING TO ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

Senate Bill 2769 requires all state, county, and private bus operators to upgrade to zero emission buses by 2045. The Climate Change Mitigation and Adaptation Commission (Commission) <u>supports</u> this bill.

The Commission consists of a multi-jurisdictional effort between 20 different departments, committees, and counties. Decarbonizing our transportation system as quickly as possible is key for us to reach our mandated 2045 carbon emission goals. Policies are needed to support zero emission vehicle (ZEV) deployment on our roadways. This includes conversion of light and heavy-duty vehicles such as buses. The state is already making the transition through federal grants to purchase electric school busses and the counties have several electric buses in operation. Even so the State greenhouse gas inventory has indicated that we are not on track to meet out 2030 emmissions goals. Setting a nearer term goal such as 2035 would support faster transition while leaving time for city, county, state and private operators to make plan for transition. Setting ambitious yet achievable goals will position Hawai'i to continue to be a leader in climate action.

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

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

# TO THE SENATE COMMITTEES ON TRANSPORTATION AND CULTURE AND THE ARTS and AGRICULTURE AND ENVIRONMENT

# Thursday, February 8, 2024 3:00 p.m.

Chairs Lee and Gabbard, Vice Chairs Inouye and Richards, and Members of the Committees:

MEASURE: S.B. No. 2769 TITLE: RELATING TO CLIMATE CHANGE.

**DESCRIPTION:** Requires all state, county, and private bus operators to upgrade to zero emission buses by 2045.

# POSITION:

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

# COMMENTS:

The Commission appreciates the intent of this measure and recognizes the Legislature's proactive engagement in reducing greenhouse gas emissions as a result of ground transportation.

The Commission respectfully request the Committees consider making necessary amendments that would ensure consistent administration of the current Hawaii Administrative Rules ("HAR") that relate to chapter 271, Hawaii Revised Statutes. For example, HAR § 6-62-31(c), Classification of Passenger Carriers, specifically designates the number of passengers for every motor carrier in three categories:

S.B. 2769 Page 2

- Motor carriers of passengers utilizing motor vehicles with passenger seating capacity of not more than <u>seven</u> passengers;
- (2) Motor carriers of passengers utilizing motor vehicles with passenger seating capacity of <u>eight to</u> twenty-five passengers;
- (3) Motor carriers of passengers utilizing motor vehicles with passenger seating capacity of <u>more than</u> twenty-five passengers.

This may conflict with the language in Section 5 and Section 7 of the measure requiring the Commission "to not issue any permit covering the transportation of <u>more than fifteen</u> <u>passengers</u> after December 31, 2044."

In the alternative, the Commission recommends an amendment to the measure by including language that would require any necessary changes to the Commission's administrative rules to be consistent with the measure.

Thank you for the opportunity to testify on this measure.



# **DISABILITY AND COMMUNICATION ACCESS BOARD**

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813 Ph. (808) 586-8121 (V) • TTY (808) 586-8162 • Fax (808) 586-8129

February 8, 2024



#### TESTIMONY TO THE SENATE COMMITTEES ON TRANPORTATION AND CULTURE AND THE ARTS, AND AGRICULTURE AND ENVIRONMENT

Senate Bill 2769 - Relating to Climate Change

The Disability and Communication Access Board (DCAB) supports Senate Bill 2769 – Relating to Climate Change.

This bill requires all state, county, and private bus operators to upgrade to zero emission buses by 2045.

This bill will help Hawaii reach its energy independence goals. However, DCAB suggests that the bill be amended to include vehicles that are used to provide complementary paratransit service to fixed route bus service. As most of these vehicles carry fifteen or less passengers, they are exempt under the bill's current language.

Thank you for considering our position.

Respectfully submitted,

KIRBY L. SHAW Executive Director

#### <u>SB-2769</u> Submitted on: 2/6/2024 12:54:11 PM Testimony for TCA on 2/8/2024 3:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ted Bohlen	Testifying for Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

Climate Protectors Hawaii appreciates the intent of this bill and supports requiring that all buses be zero emissions as soon as feasible in order to reduce greenhouse gas emissions. Climate Protectors Hawaii recommends that the date in the bill be moved up from 2045 to 2040 or sooner.

In section 8(a) there is a July 2023 date that should perhaps be 2024.

Mahalo!

Climate Protectors Hawaii (by Ted Bohlen)



# TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAI'I

# SENATE COMMITTEES ON TRANSPORTATION AND CULUTRE AND THE ARTS and AGRICULTURE AND ENVIRONMENT

# **FEBRUARY 8, 2024**

# SB 2769, RELATING TO CLIMATE CHANGE

# **POSITION: SUPPORT**

The Democratic Party of Hawai'i **supports** SB 2769, relating to climate change. Pursuant to the "Environment and Energy" section of the official Democratic Party of Hawai'i platform, the party believes "that a key part of a sustainable and self-sufficient future for Hawai'i lies in achieving energy independence through a transition to clean renewable energy sources," and supports "policy that eliminates our dependence on fossil fuels and other dirty energy sources."

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact

of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area–one-third of which is designated for urban use–without risking massive structural damage and, potentially, great loss of life.

Last year, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate-induced catastrophes to our island home.

Therefore, <u>our state should accelerate our transition to a clean energy</u> <u>economy and continue our fight against climate change, including by</u> <u>requiring mass transportation vehicles–including all public and private bus</u> <u>fleets–to upgrade to electric, net-zero technology by 2045.</u> Strengthening energy efficiency is vital in reducing emissions associated with electricity generation, while providing financial benefits for consumers. The Hawai'i Clean Energy Initiative sets a statewide energy efficiency goal for 2030 at 4,300 gigawatt hours and directs the Public Utilities Commission to establish interim goals for 2015, 2020, and 2025. Extending these goals will ensure that the PUC may continue improving our state's energy-efficiency portfolio standards beyond 2030.

Mahalo nui loa,

# Kris Coffield

Co-Chair, Legislative Committee (808) 679-7454 kriscoffield@gmail.com **Abby Simmons** 

Co-Chair, Legislative Committee (808) 352-6818 abbyalana808@gmail.com



#### Email: <u>communications@ulupono.com</u>

# SENATE COMMITTEES ON TRANSPORTATION & CULTURE & THE ARTS AND AGRICULTURE & ENVIRONMENT Thursday, February 8, 2024 — 3:00 p.m.

#### Ulupono Initiative <u>supports</u> SB 2769, Relating to Climate Change.

Dear Chair Lee, Chair Gabbard, and Members of the Committees:

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** <u>supports</u> **SB 2769**, which requires all state, county, and private bus operators to upgrade to zero emission buses by 2045. Buses are strong candidates to support the state's emission reduction goals as they are high-use, fuel-intensive vehicles that can immediately reduce emissions through replacement.

Ulupono supports electrifying ground transportation as it 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. Zeroemission vehicles of all kinds, such as electric buses, are an important avenue to address Hawai'i's pressing climate issues, align with the State's energy and environmental goals, and provide immediate benefits to Hawai'i. Buses are especially well-situated for electrification and provide some important benefits for a variety of a reasons:

First, buses are usually in fleets—which means there is a more consistent range and operational profile that lends itself to faster electrification as well as reduced lifetime costs.<sup>1</sup>

Second, in many places, buses are housed and traverse through many communities already burdened with localized particulate matter from these buses. Converting these fleets more readily helps these nearby historically marginalized communities as well as the air quality in higher-ridership corridors.<sup>2</sup> By tackling the top source of greenhouse gas emissions in ground transportation, this measure continues Hawai'i's commitment to a clean, renewable future and helps accelerate that transition.

Third, an electrified bus fleet could potentially integrate with the electric grid, providing grid services, battery backup, and community resilience options as the technology and programs become available.

- <sup>1</sup> <u>https://www.forbes.com/sites/stacynoblet/2023/06/15/federal-fleet-electrification-a-big-opportunity-for-all/?sh=55ad6b514a59</u>
- <sup>2</sup> https://www.governing.com/now/why-we-need-to-electrify-americas-school-bus-fleet.html

#### Investing in a Sustainable Hawaiʻi



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 choices throughout the islands.

Although the deadline for this mandate is 2045, it is important to set up operators for success. This means potentially providing financial and technical support. We recommend that an additional fleet transition program be set up and properly resourced at the Hawai'i State Energy Office to provide this type of fleet electrification expertise to public and private operators, as needed. This could be subsidies for fleet infrastructure turnover but also fleet electrification workshops (as done by the City and County of Honolulu for its agencies) or access to the EV as a service contracting, among other options.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs



# TESTIMONY BEFORE THE SENATE COMMITTEES ON TRANSPORTATION & CULTURE & THE ARTS AND AGRICULTURE & ENVIRONMENT

# SB 2769

#### **RELATING TO CLIMATE CHANGE**

Thursday, February 8, 2024 3:00 PM State Capitol, Conference Room 224

Terea Macomber Policy Strategy & Community Program Manager Hawaiian Electric

Dear Chair Lee, Chair Gabbard, Vice Chair Inouye, Vice Chair Richards, and Members of the Committee,

My name is Terea Macomber and I am testifying on behalf of Hawaiian Electric in support of SB 2769, Relating to Climate Change.

Hawaiian Electric commends the Legislature for recognizing the need to accelerate and scale the transition to zero-emission electric buses. Transportation emissions are responsible for over 50% of the State's greenhouse gas emissions, and nearly 40% of those emissions stem from ground transportation. This startling statistic, when coupled with the State's climate goal of reducing emissions by 50% of 2005 levels by 2030, requires bills like this to be established. This bill aligns with state and federal rebate programs like Hawaii State Energy Office's Diesel Replacement Rebate Program that provides up to 45% rebate on the cost of a medium or heavy-duty battery electric or hydrogen fueled vehicle. Hawaiian Electric can support the implementation of this measure through makeready programs, which we are currently piloting, and may be designed to support bus operators to reduce their upfront cost of installing charging equipment by covering the costs of constructing, owning, and maintaining the electrical infrastructure up to the charging equipment.

Thank you for the opportunity to testify in support of SB 2769.



# SENATE COMMITTEE ON TRANSPORTATION, CULTURE, AND THE ARTS SENATE COMMITTEE ON AGRICULTURE AND THE ENVIRONMENT

February 8, 2024, 3:00 PM Room 224

# **TESTIMONY IN SUPPORT OF SB 2769**

Aloha Chair Lee, Chair Gabbard, and members of the Committees:

Blue Planet Foundation **supports SB 2769**, which establishes long-term requirements for zeroemission buses in Hawai'i and ensures state, county, and private bus fleet operators are planning for and participating in the decarbonization of Hawai'i's economy and our collective response to climate change.

Blue Planet Foundation is a Hawai'i-based nonprofit organization committed to help Hawai'i cut its carbon emissions and avoid the worst impacts of climate change. Through our advocacy for renewable energy, energy efficiency, and clean transportation, we seek to make our communities stronger, our energy more secure, our environment healthier, and our economy more robust.

Ground transportation accounts for roughly 25% of the greenhouse gas emissions in Hawai'i and roughly 1/3 of our imported oil use. Hawai'i is in the midst of a transition to a 100% clean energy future, and the state's transportation sector must follow suit. While 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 transportation sector. Without deliberate, collaborative, and forward-thinking leadership, we risk accelerating our trend of increased transportation emissions. In addition, the quicker we turn our transportation fleets over to zero-emission options, the faster we can turn the spigot off that leaks billions out of our economy annually to buy imported fossil fuels. Mobility should be powered by homegrown power, not imported carbon.

SB 2769 can help Hawai'i shift this trajectory. In addition to climate benefits, zero-emission buses have myriad community benefits including increasing equitable access to clean transportation, quieter roads, less air pollution, and lower vehicle maintenance costs for fleet operators. Zero-emission buses will also play an integral role in Hawai'i's clean energy future. While battery electric buses that use the existing electricity grid to charge still use mostly fossil fuel, they use that fuel more effectively than burning fuel directly in a typical gasoline engine. This is why EVs are much less expensive to "fuel" per mile than their gasoline counterparts.

Further, by using stored electrical energy, zero-emission buses can take advantage of intermittent solar, wind, and other clean energy resources. Most vehicles sit idle over 22 hours of the day, so they can become *de facto* energy storage devices if their batteries are plugged into the grid when they are not in use. With smart grid infrastructure in place, zero-emission buses become an essential component to electricity load and clean energy resource balancing—in addition to providing clean mobility solutions for Hawai'i residents.

# **Suggested Amendment:**

Blue Planet Foundation recommends that this measure be amended to require 100% of buses be zero-emission by 2035. Battery electric and hydrogen fuel cell buses will play a pivotal role in helping to achieve Hawai'i's decarbonization goals, but the quickening impacts of climate change demand that we transition more swiftly and urgently away from fossil fuels. Beyond zero-emission buses, Blue Planet also supports setting a statewide target for transitioning to a fully zero-emission ground transportation system by 2035. Fossil fuel-powered internal combustion engines are simply incompatible with a stable climate.

In conclusion, we support SB 2769 and urge the legislature to move with tenacity and bold leadership to address climate change. This measure ensures that Hawai'i is taking meaningful action to reduce greenhouse gas emissions in the ground transportation sector, and that bus fleet operators play an active role in creating a cleaner, brighter future for Hawai'i.

Thank you for the opportunity to provide testimony.

<u>SB-2769</u> Submitted on: 2/5/2024 2:33:12 PM Testimony for TCA on 2/8/2024 3:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I oppose this Bill.

<u>SB-2769</u> Submitted on: 2/5/2024 9:25:24 PM Testimony for TCA on 2/8/2024 3:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ben Robinson	Individual	Support	Written Testimony Only

Comments:

Support

# Statement of Sidney Higa, Kapolei resident Before the Transportation and Culture and the Arts And Agriculture and Environment Committee

# 8 February 2024 3:00 pm Conference Room 224 In consideration of SB2769 Relating to Climate Change

I stand in strong support of this bill.

As a born and raised resident concerned about climate change and sea level rise, I am strongly supportive of using alternative fuels such as Hydrogen to replace CO2 emitting fossil fuels especially in the transportation sector and having State, County and Motor Carriers convert to zero emission Hydrogen as a fuel by 2045 aligns with the State Goal of 100% renewables by 2045.

Additionally, Hydrogen is a renewable fuel that is made from water, which Hawaii is surrounded by and has virtually an unlimited reserve within the ocean.

By using our natural resource we will also keep billions of dollars in Hawaii instead of sending it out of State to fossil fuel producing countries.

Sincerely,

Sidney Higa

# <u>SB-2769</u> Submitted on: 2/6/2024 12:03:50 PM Testimony for TCA on 2/8/2024 3:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

Oppose. The purchase of replacement fleet vehicles will be astronomical. Pure political ideological want by the Legislature.



# <u>SB-2769</u> Submitted on: 2/7/2024 4:50:03 PM Testimony for TCA on 2/8/2024 3:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
jerry Leslie Chang	Individual	Support	Written Testimony Only

Comments:

Chairs Lee and Gabbard and Vice Chairs Inouye and Richards,

My name is Jerry Chang from Hilo, Hawaii. I strongly support SB 2769 to require State and County buses be zero emission by 2045.

Hawaii County has taken the lead by adding to their Hele On bus fleet a hydrogen bus with plans to purchase or convert more in the future.

I recommend an amendment to include time tables be inserted in the bill to require certain percentages of the fleet be fossill free by several designated dates before 2045.

Mahalo for the opportunity.

Jerry L. Chang