

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

TO THE
SENATE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION
AND
WAYS AND MEANS

MARCH 1, 2023
09:30 a.m.

Chair Keohokalole, Chair Dela Cruz, Vice Chair Fukunaga, Vice Chair Keith-Agaran, and Members of the Committees:

MEASURE: S.B. No. 459, SD1

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 SB354/ HB300. However, the Commission observes that the ceiling for spending authority in SB354/HB300 is currently requested at \$750,000 and requests that should this measure

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pass at a higher appropriation amount, that the ceiling level be increased to match the appropriation amount ensuring 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 Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Committee on Ways and Means

Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice Chair
Committee on Commerce and Consumer Protection

**RE: SB 459 SD1 - Relating to the Hydrogen Fueling System Subaccount – In Support
March 1, 2023; 9:30 A.M.; Conference room 211 & Videoconference**

Aloha Chairs Dela Cruz and Keohokalole, Vice Chairs Keith-Agaran and Fukunaga, and members of the committees:

Servco is in support of SB 459 SD1, 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 SD1 recognizes that additional resources for fueling stations are required to compliment the H2Hub production, processing, delivery, storage, and end-use of clean hydrogen. This measure helps to facilitate the Zero-Emissions Vehicle (ZEV) fueling system rebate program established via Act 241 SLH 2022.

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



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 28, 2023

TO: Senator Donovan Dela Cruz
Chair, Senate Committee on Ways and Means

Senator Jarrett Keohokalole
Chair, Senate Committee on Consumer Protection

FROM: Tiffany Yajima

RE: **S.B. 459, S.D.1 – Relating to the Hydrogen Fueling System Subaccount**
Hearing Date: Wednesday, March 1, 2023 at 9:30a.m.
Conference Room: 211

Dear Chair Dela Cruz, Chair Keohokalole and Members of the Joint Committees:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony in **support** of S.B. 459, S.D.1, which appropriates funds from the Hydrogen Fueling System Subaccount within the PUC Special Fund to be used for the Zero-Emission Vehicle Fueling System Rebate Program.

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.

In 2022, the Legislature passed Act 241 which established the ZEV Fueling Station Rebate Program and a hydrogen fueling system subaccount within the PUC Special Fund for the installation or upgrade of hydrogen fueling systems. This measure is needed to ensure the proper establishment of the ZEV Fueling System Rebate Program.

Automobile manufacturers have invested billions in the research and development of hydrogen as a feasible alternative fuel for motor vehicles. Auto Innovators recognize the importance of government support for infrastructure projects like hydrogen fueling stations that are essential to meeting the demand for zero emission vehicles in the state. For these reasons, we ask the committees to pass this measure.

Thank you for the opportunity to submit this testimony.