

JAN 24 2024

A BILL FOR AN ACT

RELATING TO ELECTRIC VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Hawaii has one of the most aggressive clean
2 energy goals in the nation and was the first to commit to a one
3 hundred per cent renewable energy goal. The State aims for a
4 zero emissions clean energy economy "as quickly as practicable,
5 but no later than 2045" with a fifty per cent reduction from
6 2005 levels by 2030 pursuant to Act 15, Session Laws of Hawaii
7 2018. Hawaii was also the first state in the nation to declare
8 a climate emergency in the regular session of 2021 through
9 Senate Concurrent Resolution No. 44, S.D. 1, H.D. 1, that also
10 called for a statewide commitment to a decarbonized economy. To
11 help achieve the State's renewable energy goal, recent
12 legislation has been enacted to establish that one hundred per
13 cent of the State's light-duty fleet is fueled by renewable
14 energy by 2035.

15 Legislation has recognized that the use of fossil fuels is
16 the State's primary contributor to greenhouse gas emissions
17 which causes climate change and poses a serious threat to the



1 State's economic well-being, public health, infrastructure,
2 environment, and way of life. The legislature notes that for
3 ground transportation, electric vehicles provide a viable, cost
4 effective alternative to vehicles that run on fossil fuels,
5 which are responsible for over two-thirds of the oil imported
6 into the State. The legislature further finds that electric
7 vehicles will play an integral role in Hawaii's clean energy
8 future and in meeting the goals set for the State in reducing
9 its greenhouse gas emissions, particularly as electrical
10 generation in Hawaii transitions more completely to renewable
11 energy sources.

12 The legislature further finds that current charging
13 facilities for electric vehicles far lag Hawaii's needs and fall
14 short of supporting the State's goal of zero emissions by 2045.
15 The State must accelerate a transition to cleaner transportation
16 to reach its carbon emissions reduction goals. Additionally,
17 the legislature finds that, as the State progresses toward a
18 fully decarbonized economy, the challenges of addressing hard-
19 to-decarbonize sectors will also increase. To achieve the goal
20 of a fully decarbonized economy, the State needs to plan ahead
21 and understand the steps necessary to create a carbon-negative



1 economy by 2045, as required by Act 15, Session Laws of Hawaii
2 2018. The legislature also finds that significant investment in
3 clean energy technology and infrastructure will be required to
4 achieve the State's goals of energy self-sufficiency, energy
5 security, and energy diversification.

6 The purpose of this Act is to facilitate the transition to
7 one hundred per cent clean energy in Hawaii by:

8 (1) Creating a funding program that incentivizes electric
9 vehicle charging systems and infrastructure
10 development;

11 (2) Increasing the amount of petroleum tax to be deposited
12 into the electric vehicle charging system account; and

13 (3) Allowing for funding from the electrical vehicle
14 charging system subaccount to the electric vehicle
15 charging systems and infrastructure program.

16 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
17 amended by adding two new sections to be appropriately
18 designated and to read as follows:

19 "§269-A Electric vehicle charging systems and
20 infrastructure; funding program. (a) The public utilities
21 commission shall administer a funding program that incentivizes



1 the installation, maintenance, and upgrade of electric vehicle
2 charging systems and infrastructure throughout the State of
3 Hawaii to achieve and maintain a zero emissions clean energy
4 economy. The public utilities commission may contract with a
5 third-party administrator pursuant to section 269-B to operate
6 and manage the funding program.

7 (b) Funding shall be made available to applicants for the
8 purposes of developing, maintaining, and upgrading electric
9 vehicle charging systems, infrastructure, related technologies,
10 and related grid services.

11 (c) Funding shall be subject to available funds and the
12 program administrator shall not approve additional funding for
13 the remainder of the fiscal year after program funds have been
14 fully exhausted.

15 (d) The public utilities commission, or its designated
16 program administrator shall:

17 (1) Prepare any forms that may be necessary for an
18 applicant to claim funding pursuant to this section;

19 and

20 (2) Require each applicant to furnish reasonable
21 information to ascertain the validity of the claim,



1 including but not limited to documentation necessary
2 to demonstrate that the installation, maintenance, and
3 upgrade for which the rebate is claimed is eligible.

4 (e) In administering the funding program, the public
5 utilities commission shall give consideration to the following
6 guidelines:

7 (1) Priority shall be given to electric vehicle charging
8 systems that are publicly available; serve multiple
9 tenants, employees, or customers; serve electric
10 vehicle fleets; support the visitor industry in
11 transitioning to clean transportation; or serve low-
12 income, moderate-income, underserved, or environmental
13 justice communities;

14 (2) Funding shall enhance broader public clean energy and
15 grid resiliency goals by supporting deployment of
16 electric vehicle charging systems that can regulate
17 their time of use, be networked and co-optimized with
18 other electric vehicle charging systems and clean
19 transportation options, and otherwise provide grid
20 services or other benefits to the utility and electric
21 grid; and



1 (3) The program administrator may propose new or modified
2 guidelines to be considered in addition to those
3 specified in this subsection and may make programmatic
4 adjustments due to market changes, technological
5 advancements, and levels of participation to ensure
6 the prudent use of taxpayer funds to effectively
7 manage the program budget.

8 (f) Eligible recipients receiving funds through the
9 funding program shall use funds in accordance with the
10 requirements of this section. Installations funded by the
11 funding program shall be performed by experienced and qualified
12 persons.

13 (g) For purposes of this section:

14 "Applicant" means an individual; nonprofit or for-profit
15 corporation; local, state, or federal government agency; public
16 utility; homeowner association; or any other eligible entity as
17 defined under rules adopted for the electric vehicle charging
18 system funding program.

19 "Electric vehicle charging system" has the same meaning as
20 "electric vehicle supply equipment" as defined in article 625.2
21 of the National Electrical Code, as amended.



1 "Person" means any individual, estate, trust, receiver,
2 cooperative association, club, corporation, company, firm,
3 partnership, joint venture, syndicate, or other entity.

4 **§269-B Electric vehicle charging systems and**
5 **infrastructure; administrator.** (a) The public utilities
6 commission may contract with a third-party administrator to
7 operate and manage the funding program established under section
8 269-A. The administrator shall not be deemed to be a
9 "governmental body" as defined in section 103D-104; provided
10 that all moneys transferred to the third-party administrator
11 shall have been appropriated by the legislature or shall be from
12 funds provided by the federal government or private funding
13 sources. The administrator shall not expend more than fifteen
14 per cent of the amounts appropriated for the funding program or
15 other reasonable percentage determined by the public utilities
16 commission for administration of the program established under
17 section 269-A; provided that program administration expenses may
18 include marketing and outreach expenses to increase program
19 participation, if needed; provided further that not more than
20 ten per cent of the amounts appropriated for the funding program



1 may be expended on non-marketing and outreach programs or
2 administration of the program.

3 (b) The administrator shall be subject to regulation by
4 the public utilities commission under any provision applicable
5 to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5,
6 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall
7 report to the public utilities commission on a regular basis."

8 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) In addition to any other taxes provided by law,
11 subject to the exemptions set forth in section 243-7, there is
12 hereby imposed a state environmental response, energy, and food
13 security tax on each barrel or fractional part of a barrel of
14 petroleum product sold by a distributor to any retail dealer or
15 end user of petroleum product, other than a refiner. The tax
16 shall be \$1.05 on each barrel or fractional part of a barrel of
17 petroleum product that is not aviation fuel; provided that of
18 the tax collected pursuant to this subsection:

19 (1) 5 cents of the tax on each barrel shall be deposited
20 into the environmental response revolving fund
21 established under section 128D-2;



1 (2) 4 cents of the tax on each barrel shall be deposited
2 into the energy security special fund established
3 under section 201-12.8;

4 (3) 5 cents of the tax on each barrel shall be deposited
5 into the energy systems development special fund
6 established under section 304A-2169.1;

7 (4) [~~3~~] 10 cents of the tax on each barrel shall be
8 deposited into the electric vehicle charging system
9 subaccount established pursuant to section 269-33(e);
10 and

11 (5) 3 cents of the tax on each barrel shall be deposited
12 into the hydrogen fueling system subaccount
13 established pursuant to section 269-33(f).

14 The tax imposed by this subsection shall be paid by the
15 distributor of the petroleum product."

16 SECTION 4. Section 269-33, Hawaii Revised Statutes, is
17 amended by amending subsection (e) to read as follows:

18 "(e) There is established within the public utilities
19 commission special fund an electric vehicle charging system
20 subaccount. The public utilities commission shall expend up to
21 forty per cent of the moneys in the subaccount for the purposes



1 of funding the electric vehicle charging system rebate program
2 established pursuant to sections 269-72 and 269-73~~[+]~~, and up to
3 sixty per cent of the moneys in the subaccount for the purposes
4 of funding the electric vehicle charging systems and
5 infrastructure funding program pursuant to section 269-A. The
6 funds in this subaccount shall not be subject to the special
7 fund ceiling in subsection (d)."

8 SECTION 5. In codifying the new sections added by section
9 3 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect upon its approval.

15

INTRODUCED BY:



S.B. NO. 3309

Report Title:

Public Utilities Commission; Electric Vehicle Charging System Funding Program; Electrical Vehicle System Rebate Program; Clean Energy

Description:

Establishes the Electric Vehicle Charging System and Infrastructure Funding Program. Increases the amount of petroleum tax to be deposited into the electric vehicle charging system subaccount.

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