HAWAII STATE ENERGY OFFICE
STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
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MARK B. GLICK
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEES ON
AGRICULTURE AND ENVIRONMENT
AND
COMMERCE AND CONSUMER PROTECTION

Tuesday, February 13, 2024
9:10 AM
State Capitol, Conference Room 229 & Videoconference

Providing Comments on
SB 2311

RELATING TO ELECTRIC VEHICLE BATTERIES.

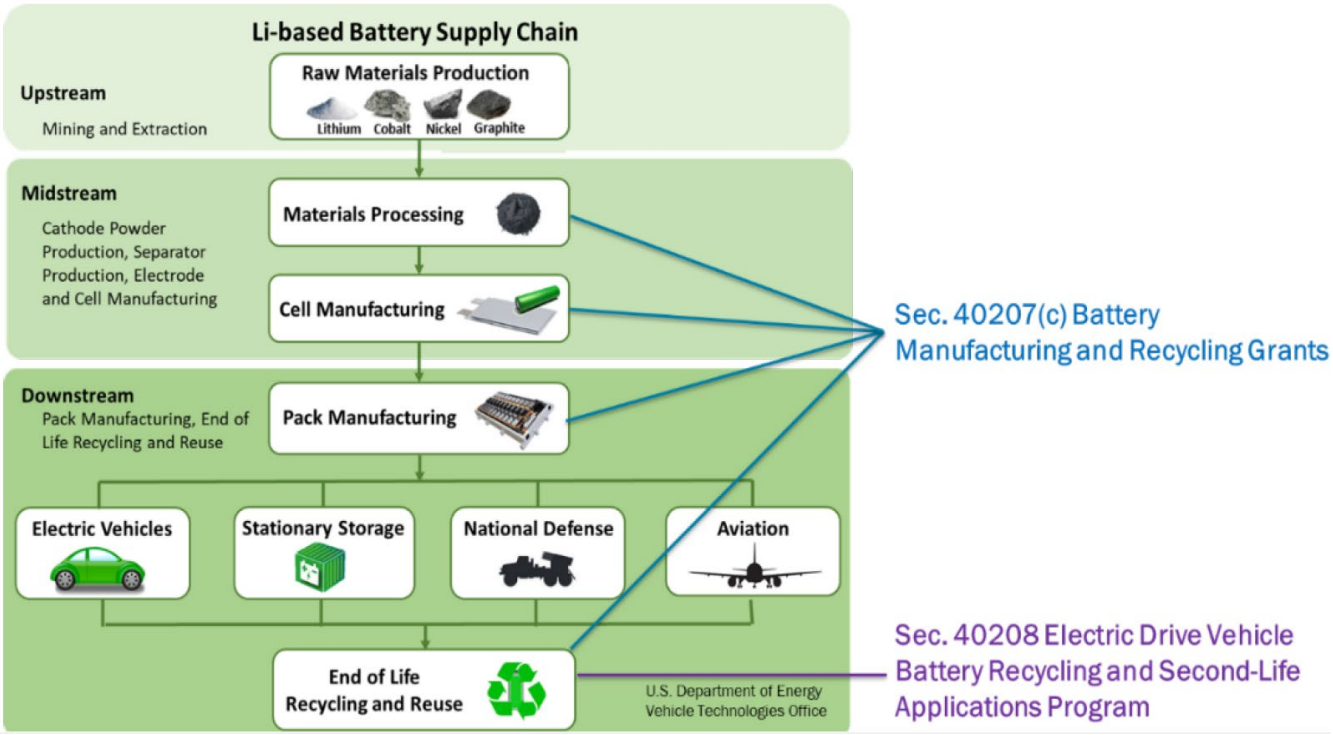
Chairs Gabbard and Keohokalole, Vice Chairs Richards and Fukunaga, and members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 2311 that that establishes a number of simultaneous provisions relating to the handling of electric vehicle batteries, including bans on accepting electric vehicle batteries for collection or disposal.

Improving the management of end-of-life batteries can be considered a part of achieving Hawai'i's resilient clean energy economy. Electric vehicle (EV) batteries contain critical materials that have the realistic potential to continue serving the energy economy, assuming the EV battery waste stream is managed well in the reverse supply chain. Proper management of these batteries will result in source materials for one of the most important components in the clean transportation sector. HSEO recognizes the need for propulsion batteries to have a proper management plan as improper disposal can result in negative environmental impacts.

HSEO appreciates the intent of this bill to develop effective systems to handle electric vehicle batteries. HSEO recommends caution in the sequencing of events,

including bans, and recommends thoughtful integration with programs at the County, State, and Federal levels. HSEO defers to the appropriate agencies on the implementation of the requirements of this measure.

HSEO has made appropriate management of battery, as well as renewable energy production equipment, waste streams a priority and is actively engaged in securing federal support and partnerships that may be used to support efforts to safely and cost-effectively manage end-of-life (EOL) batteries. The graphic below shows Bipartisan Infrastructure Law (BIL) investments in the battery supply chain, available through the United States Department of Energy, as stated in Funding Opportunity Announcement DE-FOA-0003120:



HSEO looks forward to working with others interested in this area, in pursuit of effective solutions to this very important topic.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR OF HAWAI'I
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I

KENNETH S. FINK, MD, MGA, MPH
DIRECTOR OF HEALTH
KA LUNA HO'OKELE

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P. O. Box 3378
Honolulu, HI 96801-3378
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Testimony COMMENTING on SB2311
RELATING TO ELECTRIC VEHICLE BATTERIES

SENATOR JARRETT KEOHOKALOLE, CHAIR
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

SENATOR MIKE GABBARD, CHAIR
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

Hearing Date: February 13, 2024 Room Number: 229

Fiscal Implications: This measure may impact the priorities identified in the Governor's Executive Budget Request for the Department of Health's (Department's) appropriations and personnel priorities.

Department Testimony: The Department respectfully offers comments on this bill and requests clarification of the legislature's intent. The bill proposes the creation of a new program to manage electric vehicle (EV) propulsion batteries and appears to conflict with existing state programs for managing solid and hazardous waste, which may lead to unintended consequences. The Department believes that if the legislature's intent is to require management of EV batteries discarded by consumers as hazardous waste, while encouraging reuse, repurposing, and recycling, it would be more appropriate to direct these batteries into the existing universal waste collection system or require EV battery producers to accept and properly manage batteries as universal waste handlers (or contract with existing handlers to do so on their behalf) at no cost to consumers.

The prohibition on page 4 lines 2-3, "No person shall dispose of a propulsion battery, battery module, or battery cell as solid waste" is unclear and potentially problematic for two reasons. First, page 3 lines 18-19 refer to the definition of "solid waste" in section 342J-2, Hawaii Revised Statutes (HRS). As the definition of "hazardous waste" also in section 342J-2, HRS, makes clear, this definition of "solid waste" includes "hazardous waste." The bill in its

current form appears to represent a complete prohibition on disposal or collection for recycling under both state hazardous waste laws (342J, HRS), and state solid waste laws (324H, HRS).

Second, "person" is not defined in chapter 342I, HRS, or the proposed new part of 342I. When not otherwise defined, the legal definition of person is typically very broad, including businesses, government agencies, and other legal entities in addition to individuals. All hazardous waste discarded by businesses, governments, and other legal entities (not households or individuals) is regulated under the Department's hazardous waste program, which is authorized by the United States Environmental Protection Agency (EPA). We note that regulating these hazardous wastes under the proposed EV battery program at a level that is less stringent than federal hazardous waste regulations would jeopardize EPA's approval and funding of the state's hazardous waste program.

Household hazardous waste is exempt from regulation under the federal hazardous waste program and current state rules. It is allowable, under federal statute and regulation, for Hawaii's EPA-authorized hazardous waste program to be stricter or broader than the federal requirements, if that is the legislature's desire. Several other states do choose to regulate some or all types of household hazardous wastes.

Universal waste is a special subset of hazardous waste with relaxed collection, storage, and transportation criteria and includes all type of batteries that are flammable, corrosive, and/or toxic. These regulations are designed to be protective of human health and the environment, with strict requirements covering the possibility of proper disposal as hazardous waste if the battery cannot be reused, repurposed, or remanufactured. Universal waste handlers collect hazardous waste batteries discarded by businesses and manage them under chapter 11-273.1, Hawaii Administrative Rules, regulations based on EPA's federal program. If household batteries were regulated as universal waste, this could include all types of hazardous batteries discarded by consumers rather than only EV propulsion batteries.

Although cost recovery is mentioned on page 13, the bill does not reference an appropriation, collection of money, creation of a fund, or use of a fund, so clarity regarding funding is required. The review and approval of plans referred to on page 7 line 21 and inspection and enforcement contemplated on pages 14-15 would require significant resources,

including multiple staff positions. Rather than creating a new system, and a new regulatory program, for collecting EV batteries, producer responsibility could be more easily accomplished by requiring EV battery producers to accept and properly manage batteries as universal waste handlers (or contract with existing handlers to do so on their behalf) at no cost to consumers.

Offered Amendments: None.

Thank you for the opportunity to testify.

REDWOOD MATERIALS

February 12, 2024

Senate Committee on Commerce and Consumer Protection
Senate Committee on Agriculture and Environment
Hawai'i State Capitol
415 South Beretania St.
Honolulu, HI 96813

RE: Redwood Materials' Written Testimony and Suggested Language for SB2311, Relating to Electric Vehicle Batteries

Dear Chairs Keohokalole and Gabbard, Vice Chairs Fukunaga and Richards, and Members of the Committees on Commerce and Consumer Protection, and Agriculture and Environment,

As the leader in the sustainable management of electric vehicle (EV) batteries, Redwood Materials appreciates the intent behind SB2311 and is committed to contributing constructively to the joint hearing of the Committees on Commerce and Consumer Protection, and Agriculture and Environment. We recognize the bill's significance in advancing sustainable practices in the EV battery sector. However, we believe there are aspects of the current legislation that could be enhanced to better meet its objectives. This belief underlies our decision to propose specific language changes, which we feel are crucial for the bill to effectively address the complexities of EV battery recycling and management.

Redwood is at the forefront of ensuring that the United States meets its clean energy and electric vehicle (EV) ambitions. We are dedicated to developing a domestic, secure, and sustainable battery supply chain. Our strategic approach includes:

- **Recycling**: We focus on collecting and recycling end-of-life lithium-ion batteries from EV battery packs to consumer devices, turning potential waste into high-value battery materials.
- **Refining and Processing**: Our facilities process and refine critical minerals contained in these batteries, ensuring their optimal reuse.
- **Re-manufacturing**: We specialize in re-manufacturing sustainable battery materials, particularly cathode active materials and anode foils, essential for domestic battery manufacturing.

Our company's mission aligns with the objectives of SB2311, advocating for responsible and sustainable management of electric vehicle (EV) batteries. Today, Redwood receives more than 10 GWh of lithium-ion batteries annually, which equates to more than 100,000 vehicles, 788 million cell phones, or 40,000 metric tons/year. The vast majority of lithium-ion batteries recycled in North America come through our doors.

This year, over 250,000 electrified vehicles are reaching the end of their life cycle in the United States, presenting a crucial opportunity for sustainable practices in battery management. Our involvement in policy development and environmental sustainability initiatives, both locally and nationally, positions us as a key contributor in this evolving industry.

Redwood recognizes Hawaii's pioneering role in sustainable energy and battery technology. In collaboration with Kaua'i Island Utility Cooperative (KIUC), we've worked on decommissioning the first-generation battery storage system at the Anahola substation, a 4.6 MWh battery energy storage system (BESS). The successful decommissioning and recycling of these initial projects serve as an industry model for future gigawatt-scale projects.

Additionally, we contributed to the EPA's Maui Wildfire Response by facilitating the safe transport of fire-damaged lithium-ion batteries from Maui to our Northern Nevada facilities for proper recycling. This effort was part of our commitment to environmentally responsible practices in emergency situations.

We have also engaged with the University of Hawaii in their research on EV battery recycling. By hosting their researchers at our facilities, we shared insights into our methods for EV battery circularity, aiming to contribute to broader knowledge in this field and inform local policy development.

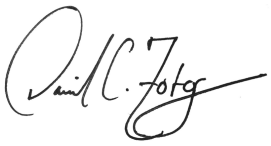
Through these initiatives, Redwood strives to support Hawaii's sustainable energy ambitions and contribute to the evolving dialogue on battery recycling and management.

While we support SB2311's objectives, we advocate for policies that ensure market flexibility, fostering innovation and adaptability in this rapidly evolving sector. Attached to this testimony, you will find detailed language changes proposed by Redwood Materials and industry stakeholders. These changes are informed by our industry expertise and experience with similar legislation in other states. Specifically, we suggest modifications to the definitions section, consumer disposal guidelines, and battery management plans, ensuring operational clarity, environmental safety, and industry flexibility.

Redwood Materials is committed to advancing our industry, driving circularity in battery material production, and collaborating with partners and policymakers. We are dedicated to reducing costs, enhancing sustainability, and fostering innovation, contributing to a more sustainable future.

Thank you for considering our testimony and proposed amendments. We look forward to the possibility of a meaningful collaboration.

Sincerely,



Daniel Zotos
Senior Manager, Public Affairs & Advocacy
Redwood Materials

Suggested Language Changes to Hawaii S.B. 2311 An Act relating to electric vehicle batteries. (Redwood Materials and Tesla)

1. Update 322I-A “Definitions” section to include a definition of “authorized propulsion battery recycler”.

   Suggested Language:

   “Authorized battery recycler" means an entity or facility that is authorized by the department or an equivalent agency in another state to collect, sort, separate, and refine the elemental components of end-of-life propulsion batteries, or battery materials, and to refine the elemental components back to usable battery chemicals that include, but are not limited to, nickel sulfates, cobalt sulfate, and lithium salts. "Authorized propulsion battery recycler" does not include entities or facilities that are engaged only in the collection or logistics of moving materials for recycling.

   Rationale: Included in the recent EV battery recycling law in New Jersey, this definition not only brings operational clarity and standardization to the recycling industry but also underscores full-service recyclers from logistics-only entities and sets a high standard for recycling practices. It marks a significant useful precedent in the industry and with policy.

2. Update 342I-C “Consumer disposal of propulsion batteries.” to include “authorized propulsion battery recyclers” as one of the options for consumers to deliver the unwanted battery to.

   Suggested Language:

   (3) an authorized battery recycler

   Rationale: This language ensures consumers are aware of and have access to a responsible, environmentally sound disposal option. Authorized recyclers provide a specialized service, ensuring batteries are processed safely and materials are recovered efficiently. This aligns with the increasing need for sustainable battery disposal and recycling in the face of rising electric vehicle adoption.

3. Update 342I-F “Battery management plan.” to include “authorized propulsion battery recycler’s” in the battery management plans, including their necessary role in properly managing propulsion batteries at end-of-life.

   Suggested Language:

   A battery management plan prepared and submitted pursuant to this section shall, at a minimum, include:
   1. Methods to be used for the acceptance and transportation of used propulsion batteries or complete vehicles offered to the producer. This includes proposed collection services and specifies the role of vehicle recyclers and authorized propulsion battery recyclers.
   2. Processes and methods to be utilized for the remanufacture, repurpose, or recycle of propulsion batteries at the end of their service life. This should detail, as applicable, the identity of authorized battery recyclers to be utilized pursuant to the plan, and a comprehensive plan for the final disposal of such batteries in accordance with environmentally sound management practices.

   Rationale: This language ensures that specialized recyclers are integral to the battery management process, underscoring the significance of advanced recycling capabilities in the industry. It contributes to a high standard of environmental responsibility by promoting responsible end-of-life management of batteries. Recently adopted in New Jersey, this approach/detail addresses the entire lifecycle of propulsion batteries—from collection and transportation to final disposal. By integrating authorized recyclers into the plan, the amendment not only enhances environmental safety but also bolsters industry responsibility and adherence to state regulations.

Furthermore, it supports the development of a robust, domestic supply chain for high-value battery materials, which is vital for the burgeoning electric vehicle market.

4. Remove section “342I-G Recovery of Costs” or specify the specific clean up or remediation activities so liable entity may be determined.

   Suggested Language:

   ~~**342I-G Recovery of costs.** (a) Upon request from the department, any costs incurred and payable from the fund as a result of electric vehicle battery cleanups and associate environmental assessments and remediation shall be recovered by the attorney general from the liable entity. The amount of any cost that may be recovered pursuant to this section for an electric vehicle battery cleanup and associated assessment and remedial action paid from the fund shall include the amount paid from the fund and legal interest.~~

   ~~(b) Moneys recovered by the attorney general pursuant to this section shall be deposited to the special account of the environmental management special fund.~~

   ~~(c) Any action for recovery of response costs shall commence within two years after the date of completion of all response actions.~~

   Rationale: This section lacks important specificity regarding which entity is determined to be liable depending on the individual cleanup or remediation issue in question. For example, if the owner does not offer the battery back to the producer and inappropriately stores it resulting in environmental harm or damage, the owner should then be liable for costs. Alternatively, if there is a major collision or natural disaster, the vehicle insurer would generally be liable for these costs. Importantly, the battery producer should always be provided with the opportunity to recover a battery it produced using its own reverse logistics system before the Department undertakes battery recovery and invoicing the producer. As such, we recommend striking this section completely as it would be challenging to amend the bill to fully define the liable entity for each individual cleanup or remediation issue.

GRASSROOT INSTITUTE OF HAWAII

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808-864-1776
info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

Feb. 13, 2024, 9:10 a.m.
Hawaii State Capitol
Conference Room 229 and Videoconference

To: Senate Committee on Commerce and Consumer Protection
Sen. Jarrett Keohokalole, Chair
Sen. Carol Fukunaga, Vice Chair

Senate Committee on Agriculture and Environment
Sen. Mike Gabbard, Chair
Sen. Herbert M. "Tim" Richards, III, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: COMMENTS ON SB2311 — RELATING TO ELECTRIC VEHICLE BATTERIES

Aloha Chairs Keohokalole and Gabbard and Committee Members,

The Grassroot Institute of Hawaii would like to offer its comments on SB2311, which would establish an electric vehicle battery recycling and disposal program for Hawaii.

Due to the state's ambitious renewable energy goals, there is a strong push to increase adoption of electric vehicles in the state. However, the incidental effect of that push is that Hawaii must be prepared to handle the recycling of a growing number of lithium-ion batteries, which are highly flammable, dangerous to ship, damaging to the environment and toxic to humans.[1]

Finding a safe way to recycle these batteries is important. However, one element of SB2311 that is problematic is that it would make the producers of EV batteries responsible for the end-of-life management of those batteries.

[1] Taotianchen Wan and Yikai Wang, "The Hazards of Electric Car Batteries and Their Recycling," IOP Conference Series: Earth and Environmental Science, 2022.

"Producers" under this bill are defined as manufacturers, licensees and importers of the electric vehicles, as well as battery manufacturers, remanufacturers and importers. By attempting to make car and battery manufacturers and distributors responsible for the disposal of EV batteries, this bill is likely to frustrate its own goals.

Given our state's small market and remote location, many producers and manufacturers would leave the state, especially if the cost of compliance is so great that it would be more economical to simply stop doing business in Hawaii.

If this program were part of a coordinated effort from multiple states to increase manufacturer responsibility for battery recycling, it would stand a greater chance of success. However, without that higher level of participation, this initiative is likely to fail before it begins.

At the same time, this program could increase the price of electric vehicles and batteries to the point that most residents would not be able to afford them, and the state would not be able to rely on EV adoption to meet its sustainability goals.

Finally, there is the fact that the bill would eliminate any pathway to local disposal or the growth of a local processing or treatment industry. That would further increase the costs that must be borne by producers, increase the risks involved with shipping and disposal, and could incentivize illegal disposal.

Nor should the Committee overlook the possibility that federal law may end up further regulating the transport, sales and storage of these batteries — which would create additional complications for the proposed program.

We must find a way to safely recycle these batteries, but the program outlined in SB2311 would likely fail to achieve that goal.

Where the bill might succeed, however, is in reducing the scope of the problem by unintentionally stopping the sale of electric vehicles in Hawaii.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

SB-2311
Submitted on: 2/9/2024 11:52:11 PM
Testimony for AEN on 2/13/2024 9:10:00 AM

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

Comments:

Support!

February 12, 2024

Senator Mike Gabbard, Chair
Senator Herbert M. Richards III, Vice-Chair
Senate Committee on Agriculture and Environment
Senator Jarrett Keohokalole, Chair
Senator Carol Fukunaga, Vice-Chair
Senate Committee on Commerce and Consumer Protection
Hawaii State Legislature
415 South Beretania Street
Honolulu, HI 96813

RE: Support for SB 2311, Relating to Electric Vehicle Batteries

Dear Chairs Gabbard and Keohokalole, Vice-Chairs Richards III and Fukunaga, and Members of the Committees:

Thank you for the opportunity to submit testimony in **support** of **SB 2311**, which will provide a producer funded and managed stewardship program in Hawaii for the collection and recycling of unwanted electric vehicle (EV) batteries.

In Hawaii, the number of registered EVs grew significantly over the past few years, including a 30 percent spike over the past year alone (see footnotes 1 and 2). These batteries will need to be safely collected, reused, and recycled to protect human health and the environment, as well as to drive the circular economy. EV batteries contain critical minerals (e.g., cobalt, lithium, nickel, graphite, and manganese) that are expected to grow in demand and whose supply chains have a high risk of disruption.

While providing consumers with a manufacturer-funded and convenient way to recycle EV batteries, SB 2311 will also reduce greenhouse gas (GHG) emissions and remove toxic substances from the waste stream. Batteries contain valuable materials that must be mined using energy-intensive processes that emit GHGs. Collecting and recycling batteries saves valuable resources and reduces environmental and human health impacts.

In addition, there has been an increase in fires at waste management facilities caused by lithium-ion batteries. Recycling will help prevent the health and safety hazards posed by these discarded products entering the waste stream. Legislated stewardship programs also provide a continuous flow of high-quality material to battery recyclers and manufacturing operations, allowing long-term investments in local recycling and manufacturing facilities that use recycled materials as a feedstock for new product manufacturing. SB 2311 will increase the number of

batteries recycled, create jobs, and reduce the financial burden on local governments, who would be left to manage these materials in the absence of a stewardship program.

SB 2311 contains best practices in all successful U.S. stewardship laws, including:

- Plan developed by producers that provides them with flexibility to implement a consistent program;
- Provisions to revise the plan if recommended by the Department;
- Public education and outreach to raise awareness of the program;
- Funding for the state to oversee and enforce the law;
- Disposal ban; and
- Penalties for noncompliance with the law.

PSI recommends the following changes to strengthen the bill:

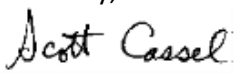
- Minimum convenience standards to ensure that the public has convenient, equitable, and statewide access to the collection system;
- Performance goals that will lead to increased quantities of batteries collected, reused, repurposed, and recycled; and
- Annual reporting by producers to the state to monitor program implementation and provide transparency.

SB 2311 follows a trend in the U.S. over the past decade to expand the scope of batteries regulated to prevent health and environmental impacts and to recover valuable materials. Vermont, Washington DC, California, and Washington have all enacted battery EPR laws based on EPR models that our organization, the Product Stewardship Institute (PSI), has developed, in most cases directly with support from the battery industry.

PSI is a national policy expert and consulting nonprofit that pioneered product stewardship in the United States along with a coalition of hundreds of state and local government officials. Since 2000, PSI has worked with numerous others to develop producer responsibility policies for many of the 136 such laws enacted for 18 industry sectors. To advance battery stewardship in the U.S., PSI has facilitated national multi-stakeholder battery stewardship meetings, developed battery stewardship policy briefing documents, and held several webinars on the topic. We have also held numerous meetings with governments, battery collectors, recyclers, producers, and environmental groups.

I urge you to **support SB 2311** for the financial and environmental health of Hawaii's economy. If you have any questions, please feel free to contact me at (617) 513-3954, or Scott@ProductStewardship.US.

Sincerely,



Scott Cassel
Chief Executive Officer/Founder

Footnote 1: Hawaii Department of Business, Economic Development & Tourism, 2024. *Monthly Energy Trend Highlights, December 2023 Highlights.* January 9, 2024. Accessed on February 5, 2024 at https://dbedt.hawaii.gov/economic/files/2024/01/Energy_Trend.pdf.

Footnote 2: Hawaii Department of Business, Economic Development & Tourism, 2024. *Monthly Energy Data: Historical data from January 2006 to December 2023.* Accessed on February 5, 2024 at https://dbedt.hawaii.gov/economic/energy-trends-2/.

1 Tesla Road, Austin, TX 78725

February 13, 2024

TO: Chair Jarrett Keohokalole
Vice Chair Carol Fukunaga
Members of the Committee on Commerce and Consumer Protection

Chair Mike Gabbard
Vice Chair Herbert M. “Tim” Richards III
Members of the Committee on Agriculture and Environment

FR: Noelani Derrickson
Public Policy & Business Development

RE: SB2311 Relating to Electric Vehicle Batteries. - **SUPPORT**

Thank you for the opportunity to provide testimony regarding SB2311.

Tesla **supports the intent of SB2311** as it provides direction for the collection and management of vehicle propulsion batteries, clarifies the responsibilities of electric vehicle battery producers, and establishes requirements for an EV battery management plan.

We offer several supportive amendments to improve and further clarify requirements in SB2311. The proposed amendments and rationale, found in the Appendix, include key recommendations to:

- Define and incorporate “authorized battery recyclers”; and
- Remove Section 432I-G Recovery of Costs given lack of clarity on liable entity depending on specific remediation activity.

We look forward to continuing to work with the authors and other stakeholders on this important policy.

Thank you,

Noelani Derrickson

APPENDIX

1. **Update 322I-A "Definitions" section to include a definition of "authorized propulsion battery recycler".**

   Suggested Language:

   "Authorized battery recycler" means an entity or facility that is authorized by the department or an equivalent agency in another state to collect, sort, separate, and refine the elemental components of end-of-life propulsion batteries, or battery materials, and to refine the elemental components back to usable battery chemicals that include, but are not limited to, nickel sulfates, cobalt sulfate, and lithium salts. "Authorized propulsion battery recycler" does not include entities or facilities that are engaged only in the collection or logistics of moving materials for recycling.

   Rationale: Included in the recent EV battery recycling law in New Jersey, this definition not only brings operational clarity and standardization to the recycling industry but also underscores full-service recyclers from logistics-only entities and sets a high standard for recycling practices. It marks a significant useful precedent in the industry and with policy.

2. **Update 342I-C "Consumer disposal of propulsion batteries." to include "authorized propulsion battery recyclers" as one of the options for consumers to deliver the unwanted battery to.**

   Suggested Language:

   (3) an authorized battery recycler

   Rationale: This language ensures consumers are aware of and have access to a responsible,
   environmentally sound disposal option. Authorized recyclers provide a specialized service,
   ensuring batteries are processed safely and materials are recovered efficiently. This aligns with the increasing need for sustainable battery disposal and recycling in the face of rising electric vehicle adoption.

3. **Update 342I-F "Battery management plan." to include "authorized propulsion battery recycler's" in the battery management plans, including their necessary role in properly managing propulsion batteries at end-of-life.**

   Suggested Language:

   A battery management plan prepared and submitted pursuant to this section shall, at a minimum, include:
   1. Methods to be used for the acceptance and transportation of used propulsion batteries or complete vehicles offered to the producer. This includes proposed

collection services and specifies the role of vehicle recyclers and authorized propulsion battery recyclers.

2. Processes and methods to be utilized for the remanufacture, repurpose, or recycle of propulsion batteries at the end of their service life. This should detail, as applicable, the identity of authorized battery recyclers to be utilized pursuant to the plan, and a comprehensive plan for the final disposal of such batteries in accordance with environmentally sound management practices.

Rationale: This language ensures that specialized recyclers are integral to the battery management process, underscoring the significance of advanced recycling capabilities in the industry. It contributes to a high standard of environmental responsibility by promoting responsible end-of-life management of batteries. Recently adopted in New Jersey, this approach/detail addresses the entire lifecycle of propulsion batteries—from collection and transportation to final disposal. By integrating authorized recyclers into the plan, the amendment not only enhances environmental safety but also bolsters industry responsibility and adherence to state regulations. Furthermore, it supports the development of a robust, domestic supply chain for high-value battery materials, which is vital for the burgeoning electric vehicle market.

4. **Remove section "342l-G Recovery of Costs"**

~~**342l-G Recovery of costs.** (a) Upon request from the department, any costs incurred and payable from the fund as a result of electric vehicle battery cleanups and associate environmental assessments and remediation shall be recovered by the attorney general from the liable entity. The amount of any cost that may be recovered pursuant to this section for an electric vehicle battery cleanup and associated assessment and remedial action paid from the fund shall include the amount paid from the fund and legal interest.~~
~~(b) Moneys recovered by the attorney general pursuant to this section shall be deposited to the special account of the environmental management special fund.~~
~~(c) Any action for recovery of response costs shall commence within two years after the date of completion of all response actions.~~

Rationale: This section lacks important specificity regarding which entity is determined to be liable depending on the individual cleanup or remediation issue in question. Producers cannot be held liable for cleanup and remediation costs for batteries that are not under their control and ownership. For example, if the battery owner does not offer the battery back to the producer and inappropriately stores it resulting in environmental harm or damage, the owner should then be liable for costs. Alternatively, if a vehicle is involved in a major collision or natural disaster, the vehicle owner (or insurer) would be responsible for these costs. Importantly, the battery producer should always be provided with the opportunity to recover a battery it produced using its own reverse logistics system before the Department undertakes battery recovery and invoicing the producer. As such, we recommend striking this section completely.

SanHi
GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 13, 2024

TO: Senator Jarrett Keohokalole, Chair
Committee on Commerce and Consumer Protection

Senator Mike Gabbard, Chair
Committee on Agriculture and Environment

FROM: Tiffany Yajima

RE: **S.B. 2311 – Relating to Electric Vehicle Batteries**
Hearing Date: Tuesday, February 13, 2024 at 9:10 a.m.
Conference Room: 229

Dear Chair Keohokalole, Chair Gabbard, and Members of the joint Committees on Commerce and Consumer Protection and Agriculture and Environment:

On behalf of the Alliance for Automotive Innovation ("Auto Innovators") we submit this testimony in **opposition** to S.B. 2311, Relating to Electric Vehicle Batteries.

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.

This measure would establish a battery management program under the Department of Health and require EV battery producers to develop and submit a battery management plan to the department for review and approval, subject to additional program management fees. While automakers appreciate the intent of this measure to encourage EV battery recycling, we believe that this bill is unnecessary because a system is already in place for EV battery management.

First, because Li-ion batteries contain valuable materials that can be recovered and reused, and also require professional removal due to their weight, size, and voltage, electric vehicle batteries remain in a vehicle and cannot be simply discarded or abandoned on a street as waste.

Second, a system already is in place for EV battery reuse, repurposing and recycling when these batteries are no longer suitable for use in a vehicle. For example, in the life cycle of a battery, when an EV battery begins to show signs of failure, these battery modules or packs can first be refurbished to as good or better quality and performance levels through the replacement of worn or deteriorated components and can then be re-certified to OEM specifications. If a battery module or pack cannot be reused, these batteries and components can also be refurbished on the secondary market to fulfill a

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different use from what was originally intended. At the end of the life of a battery, EV batteries can be processed to recover the maximum amount of raw materials for reuse in identical or alternative industries.

Third, automakers have already adopted a “Full Vehicle Backstop” program. The Full Vehicle Backstop program covers the whole electric vehicle – not just the battery – for vehicles that have reached end-of-life, that is unwanted without parts removed by a dismantler. Under the program, the vehicle manufacturer is responsible to accept the vehicle and ensure that it is properly dismantled, and the lithium-ion battery is properly reused, refurbished, or recycled.

As the makers of the electric vehicles that use these batteries, Auto Innovators strongly support and encourage battery management and recycling but believe that this program is unnecessary for the reasons stated above. As such, we respectfully ask the committee to defer this measure.

Thank you for the opportunity to submit this testimony.

DATE: February 13, 2024
TIME: 9:10 AM
PLACE: VIA VIDEOCONFERENCE and Conference Room 325
BILL: SB 2311, Relating to Electric Vehicle Batteries

Aloha Chair Gabbard, Chair Keohokalole, and members of the committees,

On behalf of the Hawai'i Automobile Dealers Association (HADA), we are writing to respectfully **oppose** SB 2311, relating to electric vehicle batteries. This bill establishes an electric vehicle battery recycling and disposal program and prohibits disposal of propulsion batteries as solid waste. It prohibits producers of propulsion batteries from refusing propulsion batteries for reuse, remanufacturing, repurposing, or recycling and establishes producer responsibility for propulsion batteries embedded into vehicles or sold separately in the State or through remote sale.

HADA supports working collaboratively with policy leaders to ensure that the state's clean energy goals are met. HADA actively engages with stakeholders, including state agency leaders, on solutions to challenges identified in this bill. We have consistently advocated for infrastructure to support electric vehicle deployment and understand the necessity of looking to the end-of-life of batteries and equipment. We support measures that facilitate the implementation of policies that promote the use of electric vehicles and other measures to meet the state's energy goals. We strongly believe that study is needed to ensure that a measure such as this one does not unintentionally set back the state's efforts to achieve its clean energy goals.

HADA seeks to engage with legislators on issues of importance relevant to motor vehicles, our state's clean energy future, and safety. We thank you for the opportunity to testify.

SB-2311
Submitted on: 2/10/2024 1:37:37 PM
Testimony for AEN on 2/13/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

Get ride of Battery run Cars and then there will be no problem. Batery run cars are not Visable in Hawaii and I am sure you know that by now. If you are trying to push this to the people it will not happen they have Woken up and they are pissed at the Government!!!

SB-2311
Submitted on: 2/10/2024 3:32:48 PM
Testimony for AEN on 2/13/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Olderr	Individual	Support	Written Testimony Only

Comments:

I support this bill!

SB-2311
Submitted on: 2/8/2024 3:13:35 PM
Testimony for AEN on 2/13/2024 9:10:00 AM

Submitted By	Organization	Testifier Position	Testify
chris c.	Individual	Support	Written Testimony Only

Comments:

Support.
Hybrid vehicle batteries should also be included in the bill. The “Propulsion battery” definition should include the possibility of other alternative battery chemistries.