LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

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DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
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February 6, 2025
10:00 A.M.
State Capitol, Room 430 and Videoconference

H.B. 670
RELATING TO TRANSPORTATION

House Committee on Transportation

The Hawaii Department of Transportation (HDOT) **supports** this measure with recommendations.

The HDOT is committed to administering this rebate program as it aligns with the state's clean energy goals and supports the wide-spread adoption of small electric vehicles. This program will offer lower cost and zero-emission travel and commuting alternatives to Hawai'i's residents.

The HDOT recommends the following amendments:

- To omit Section 3 (e) – "The department of transportation may establish a retailer application and portal to provide rebates directly at the point-of-sale to expedite the rebate process."
    - The HDOT recommends the requirement be deferred in the bill.
    - The HDOT can consider and implement a point-of-sale rebate in the future without this requirement to be in statute.
- To omit the specific language in Section 3 [(i)] (k) - "…The third-party administrator shall not expend more than ten per cent of the amounts appropriated for the rebate program, or any other reasonable percentage determined by the department of transportation…"
    - The HDOT recommends omitting the 10% expenditure cap of appropriated funds for a third-party administrator. The language limits the HDOT's ability to attract and solicit viable vendors to provide the administration, promotion, and reporting of the electric mobility rebate program.
- To revise Section 3 [(i)] (k) – "…The third-party administrator may pay rebates to each rebate applicant from moneys transferred pursuant to subsection (k) from the electric mobility device subaccount within the highway development special fund."

    - The HDOT recommends omitting the language in this subsection and inserting this language into an additional (new) subsection.
- To appropriate state general funds for fiscal years 2024-2025 in the amount of $500,000, 2025-2026 in the amount of $700,000, and 2026-2027 in the amount of $700,000 to be deposited into the Highway Development Special Fund Electric Mobility Subaccount.
- To appropriate Highway Development Special Fund Electric Mobility Subaccount special funds for fiscal years 2024-2025 in the amount of $500,000, and 2025-2026 in the amount of $700,000 and 2026-2027 in the amount of $700,000, for the purposes of the electric mobility rebate program. Funds appropriated shall not lapse at the end of the fiscal year for which it was appropriated, but any unencumbered funds remaining shall lapse at the end of the following fiscal year.
- Language to clarify the HDOT can expend appropriated funds: “The sum appropriated shall be expended by the department of transportation for the purposes of this Act.”

The HDOT is willing to work with the committee in drafting a HD1 version of the bill that will incorporate the above-mentioned recommendations.

Thank you for the opportunity to provide testimony.

Testimony of the Oahu Metropolitan Planning Organization

HOUSE COMMITTEE ON TRANSPORTATION

Thursday, February 6, 2025 at 10:00AM
CR 430 & Videoconference

HB 670
RELATING TO TRANSPORTATION

Dear Chair Kila, Vice Chair Grandinetti, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports HB670 and offers amendments to improve the bill**, which would rename and expand the scope of the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program and increase the potential rebate amount.

The OahuMPO supports the proposed improvements to the electric mobility rebate program, and would like to make the following recommendations to further improve the bill:

1. Add the option for residents to qualify for additional rebate monies if people purchase a cargo e-bike or adaptive e-bike. The OahuMPO recommends the following changes to section 3 (b), 3 (i), and 3 (j), in red:

   b) Each eligible purchase of a new electric bicycle, electric moped, adaptive electric bicycle, **electric cargo bike,** or electric micro-mobility device shall receive a rebate…

   i) In administering the electric mobility device rebate program, the department of transportation shall provide rebates to:
   (1) Persons who are residents of the State and fifteen years or older, who purchase a new qualifying electric bicycle, electric moped, adaptive electric bicycle, **electric cargo bike,** or electric micro-mobility device; and
   (2) Non-profit organizations who are registered in the State who purchase one or more new qualifying electric bicycles, electric mopeds, **adaptive electric bicycles, electric cargo bikes,** or electric micro-mobility devices.

   j) **(4) Purchase:**
   a. An adaptive electric bicycle; or
   b. An electric cargo bike;

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In Denver, Colorado if you are a person with a disability and you are unable to use a standard e-bike, you may be eligible to save up to $1,400 on the sale of an adaptive e-bike. Adaptive e-bikes are designed to meet individual and specialized needs of their specific riders. This is important as adaptive e-bikes tend to be more expensive than more commonly sold e-bikes. A person in Denver purchasing an electric cargo bike is also eligible for additional rebate monies, totaling $1,400 for the purchase of a cargo e-bike.

2. Increase the rebate to $1,000 for all residents, $2,000 for income qualified residents, those requiring an adaptive electric mobility device, and those purchasing an electric cargo bike. The OahuMPO recommends the following changes to section 3 (b) and 3 (j), in red:

   b) Each eligible purchase of a new electric bicycle, electric moped, adaptive electric bicycle, or electric micro-mobility device shall receive a rebate of either fifty per cent of the retail cost or $**1,000**~~750~~; whichever is lower; provided that no individual shall receive more than $**1,000**~~750~~ in total rebates each fiscal year unless also qualifying for the additional assistance rebate pursuant to subsection (j), in which case no individual shall receive more than $**2,000**~~1,500~~ in total rebates each fiscal year.

   j) In administering the electric mobility device rebate program, the department of transportation shall provide an assistance rebate in addition to the rebate in subsection (b). The additional assistance rebate shall be $**1,000**~~750~~ or the full retail amount, whichever amount is lower, to persons fifteen years or older who…

   Residents identified “cost of e-bikes" as one of their top three barriers to owning an e-bike during community engagement conducted by the Hawaii State Energy Office. Increasing the rebate to $1,000 will help to cover the full cost of the cheapest full-sized electric bike available locally. In addition, an increased rebate will also help to cover more of the cost of electric cargo bikes, which would help residents make even more of their trips via non-vehicular modes. Providing greater financial incentives will encourage more residents to purchase electric mobility devices and use them in place of their cars.

3. Provide the rebate at the point of sale. The OahuMPO recommends the following changes to section 3 (a), (e), (g), and (k), in red:

   a) The department of transportation shall administer a rebate program that incentivizes the purchase of new electric mobility devices **at the point of sale.** ~~and may contract with a third-party administrator pursuant to subsection (k) to operate and manage the rebate program.~~

e) The department of transportation **shall** ~~may~~ establish a retailer application and portal to provide rebates directly at the point of sale to expedite the rebate process.

g) ~~Applicants~~ **Registered point of sales operators** shall submit ~~an application~~ **documentation** to the department of transportation within twelve months of the date of purchase to claim **the** ~~a~~ rebate from the electric mobility device rebate program. Failure to apply within twelve months of the date of purchase shall constitute a waiver of the right to claim the rebate.

k) The department of transportation may contract with a third-party administrator to operate and manage the electric mobility device rebate program **at the point of sale.**

Recent National Institute for Transportation and Communities research found that point of sale mechanism for e-bike programs are 30 percent more effective than rebate programs.[1]

The costs of vehicle ownership are significant for Hawaii residents, the public sector, and the private sector. Residents pay more than $8,100 to own and operate a vehicle.[2] Hawaii households have an average of two cars per household, which means vehicle ownership costs families $16,200 a year and represents about 20 percent of pre-tax median household income.[3] In addition, vehicle ownership in Hawaii amounts to $11.2 billion public and $10.6 billion private costs, which is roughly $15,000 per taxpayer ($24,400 per household) per year, regardless of whether a person or family owns a vehicle.[4] Having access to electric mobility devices will help reduce transportation costs for residents as it will encourage less trips taken with a vehicle and therefore has the potential to reduce operating costs and the number of vehicles needed in a household.

For the State to meet its climate and energy goals, emissions from the ground transportation sector must be reduced. In 2019, emissions from transportation activities in Hawai‘i were 10.68 MMT CO2 Eq, accounting for 54.9 percent of Energy sector emissions.[5] Domestic aviation accounted for the largest portion of transportation emissions (46.4 percent) followed by ground transportation (37.7 percent).[6] Greater adoption of electric mobility devices can play a significant role in reducing ground transportation emissions. According to the State Climate Commission Report, “Drivers of VMT and priority reduction strategies in Hawaii” approximately 30% of all trips taken are under 1 mile, 60% of all trips

[1] https://www.sciencedirect.com/science/article/abs/pii/S1361920924000713?via%3Dihub
[2] https://ulupono.com/media/ingpfb23/final-report-costs-of-vehicle-economy-in-hawaii-03-9-21.pdf
[3] IBID.
[4] IBID.
[5] https://health.hawaii.gov/cab/files/2023/05/2005-2018-2019-Inventory_Final-Report_rev2.pdf
[6] IBID.

are under 3 miles, and 70% of all trips are under 5 miles.[7] This is a tremendous opportunity for the State to support shifting those short trips made via vehicle to those that can be made via electric mobility device, by providing greater financial incentives to purchase cleaner and more efficient modes of transportation.

Denver, Colorado, which implemented a similar rebate to the one proposed in this bill saw substantial cost savings for residents and reduced greenhouse gas emissions as a result. Through a survey to rebate recipients, they found that residents are riding their e-bikes an average of 26 miles each week, replacing 3.4 car round trips.[8] They estimated that new e-bikes replaced 100,000 vehicle miles traveled each week.[9] The survey also indicated that income-qualified residents used their e-bikes nearly 50% more than the standard voucher recipient.[10] As Denver residents were able to swap some of their vehicular trips with those made via electric bikes, they were able to save money, as well as reduce their greenhouse gas emissions.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP), which encourages and promotes a safe, efficient, and resilient transportation system that serves the mobility needs of all people and freight (including walkways, bicycles, and transit), fosters economic growth and development, while minimizing fuel consumption and air pollution (23 CFR 450.300).

This bill is consistent with several goals of the Oahu Regional Transportation Plan including support for active and public transportation, promoting an equitable transportation system, and improving air quality and protecting environmental and cultural assets.[11] Providing a more robust rebate for electric mobility devices, such as e-bikes and e-mopeds will help more residents purchase cleaner and more efficient modes of transportation. More residents acquiring electric mobility devices is particularly important to help the State address cost of living and equity concerns as well as meeting its carbon net-negative goal by 2045.

Thank you for the opportunity to provide testimony on this measure.

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[7] https://climate.hawaii.gov/wp-content/uploads/2023/07/USCA_Hawaii_VMT_strategies_Feb22.pdf
[8] https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-Resiliency/Cutting-Denvers-Carbon-Pollution/Sustainable-Transportation/Electric-Bikes-E-Bikes-Rebates
[9] IBID.
[10] IBID.
[11] https://oahumpo.org/?wpfb_dl=2215

HAWAIʻI APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony for Hawaiʻi Appleseed Center for Law and Economic Justice
Support for HB670 - Relating to Transportation
House Committee on Transportation
Thursday, February 6th, 2025 at 10AM

Dear Chair Kila, Vice Chair Grandinetti, and members of the committee,
Mahalo for the opportunity to express **SUPPORT for HB670**. We are also providing recommendations to improve the bill. As currently proposed, the bill would rename and expand the scope of the existing Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program. The bill also proposes increasing the rebate amount from $500 to $750.

This testimony is being submitted on behalf of the Hawaiʻi Appleseed Center for Law and Economic Justice. Our organization works to build a Hawaiʻi where everyone has genuine opportunities to achieve economic security and fulfill their potential. Affordable, accessible, and safe transportation is crucial for fostering economic equality as it enables individuals of all backgrounds to access employment opportunities, education, and essential services.

Hawaiʻi Appleseed is advocating for HB670 as electric bicycles and other mobility devices have been found to:

- **Reduce household transportation costs.** In Hawaiʻi, owning a personal vehicle costs about $8,100 per year.[1] Notably, Hawaiʻi households own an average of two cars per household, which means vehicle ownership costs families $16,200 per year, representing about 20 percent of pre-tax median household income.[2] Electric mobility devices have significantly lower operating costs compared to gas-powered vehicles, requiring minimal maintenance and no fuel expenses. Additionally, the electric assist feature allows riders to cover longer distances with less physical effort, reducing reliance on other transportation modes and associated costs like parking fees and public transit fares. As an example, in the spring of 2022, the City and County of Denver launched an ebike rebate program. In just nine months, 4,734 Denver residents became new ebike owners who cumulatively saved an estimated $1 million from avoided fuel and electricity costs.[3]
- **Reduce traffic and vehicle emissions.** For the State to meet its climate and energy goals, emissions from the ground transportation sector must be reduced. Electric mobility devices are

[1] Yerton, Steward. (2020). *Why It Costs So Much To Own A Car In Hawaii*. Honolulu Civil Beat. Available at: https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/.
[2] Steward (2020)
[3] City and County of Denver. (2022) *Denver's 2022 Ebike Incentive Program: Results and Recommendations*.

currently one of the most effective tools to decrease car dependency. In Denver, officials found that participants of their city's ebike rebate program on average used their bike to replace 3.4 car trips and traveled 21.6 miles weekly. They also found that income-qualified residents were using their ebikes more than standard voucher recipients and replaced more than 40% of their car trips using their ebike. For these reasons, a recent article from the Bloomberg City Lab went so far to state that "No mobility innovation in recent memory offers a comparable opportunity to simultaneously boost health, protect the environment and improve urban quality of life."[4]

Additionally, to improve the bill and further its impact, Hawai'i Appleseed recommends the following amendments:

- Adding a point-of-sale component to the program. Recent research from the National Institute for Transportation and Communities found that point of sale mechanisms for e-bike programs are 30 percent more effective than other rebate programs.[5]
- Increasing the rebate to $1,000 for all residents, $2,000 for income qualified residents, those requiring an adaptive electric mobility device, and those purchasing an electric cargo bike.
- Adding the option for residents to qualify for additional rebate funds if people purchase a cargo e-bike or adaptive e-bike.

We commend the State of Hawai'i for implementing the rebate program in 2023 and look forward to its expansion. Increasing the scope of this program will undoubtedly increase residents' access and usage of electric bikes and other mobility devices and will support the state in achieving its ambitious climate and energy goals.

Mahalo for the opportunity to testify on this important measure.

Abbey Seitz

Abbey Seitz
Hawai'i Appleseed Center for Law and Economic Justice
Director of Transportation Equity

[4] Zipper, David. (2023). *The Untapped Power of E-Bike Rebates. Bloomberg City Lab*. Available at: https://www.bloomberg.com/news/articles/2023-07-07/release-the-e-bike-rebates.

[5] Jones, Luke, et al. (2024). *Consumer purchase response to e-bike incentives: Results form a nationwide stated preference study*. Available at: https://www.sciencedirect.com/science/article/abs/pii/S1361920924000713?via%3Dihub.

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HOUSE COMMITTEE ON TRANSPORTATION
Thursday February 6, 2025 – 10:00am

Hawai'i Bicycling League Supports HB 670, Relating to Transportation

Aloha Chair Kila, Vice Chair Grandinetti, and Committee Members,

My name is Eduardo Hernandez, and I am the Advocacy Director of the Hawai'i Bicycling League (HBL). We are a non-profit organization founded in 1975 with the mission of enabling more people to ride bicycles for health, recreation, and transportation. We strive to create communities across our islands that have safe, accessible, and inclusive environments for people to bike, walk, and roll.

Hawai'i Bicycling League supports HB 670, which offers necessary and expanded payouts for a renamed Electric Mobility Device Rebate Program. The bill also makes key updates to HRS to include a three-tier classification system for e-bikes, which is a standard used across most states in the nation, but currently not in Hawai'i.

Electric bicycles, electric mopeds, and other electric mobility devices serve as a way to reduce the costs of living for Hawai'i residents while also working towards the State's climate goals. These devices can reduce the need to own a vehicle, often allowing households to eliminate a vehicle and save upwards of $10,000 per year. They can also reduce the number of vehicles being used for short trips, therefore reducing parking demand and vehicle traffic.

We offer comments for your consideration that could improve this bill:

- In Section 3, sub-section (j) insert the word "or" between the three numbered categories describing eligibility classes so that more people qualify for the rebate. Each of the categories represent sub-populations that experience need. It shouldn't be necessary to qualify for all three categories simultaneously.

Mahalo for the opportunity to provide testimony. We encourage your support for **HB 670** will help people to choose more affordable and sustainable transportation options.

Ride Aloha,

Eduardo Hernandez
Advocacy Director

Email: communications@ulupono.com

HOUSE COMMITTEE ON TRANSPORTATION
Thursday, February 6, 2025 — 10:00 a.m.

Ulupono Initiative supports HB 670, Relating to Transportation.

Dear Chair Kila and Members of the Committee:

My name is Mariah Yoshizu, and I am the Government Affairs Associate at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 670 and offers amendments. This bill renames the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program and expands eligibility and amends the maximum rebate amounts.

We support the proposed improvements that clarify electric mobility device definitions, provide universal eligibility for all Hawai'i residents, and increase impact of the subsidy program. We respectfully urge committee members to consider the following amendments to maximize effectiveness:

- Add a definition for higher-speed e-motos or other "Out-of-Class Vehicles" that go more than 28 mph. We believe many of the vehicles creating safety issues in our communities are not actually e-bikes, but rather e-motos or off-road electric dirt bikes. As such, adding this definition will address this issue comprehensively.

- In addition to amending HRS §196-2 (Definitions in Energy Resources), we recommend amending HRS §291C-1 (Definitions in the Statewide Traffic Code) to ensure consistent definitions across statutes.

Furthermore, we recommend adding in a point-of-sale component to the program. Recent National Institute for Transportation and Communities research found that point-of-sale mechanisms for e-bike programs are 30 percent more effective than rebate programs.[1]

[1] Jones, Luke, et al. "Consumer purchase response to e-bike incentives: Results from a nationwide stated preference study." https://www.sciencedirect.com/science/article/abs/pii/S1361920924000713?via%3Dihub April 24, 2024

Although the current program has helped more than 450 people, it still hasn't achieved its full potential impact.[2] If the proposed improvements are made, we can expect to see the following benefits in Hawai'i:

- **Reduce the cost of living** — 'Ohana with e-bikes save almost $380/year on transportation costs (mostly fuel and maintenance). When aggregated across the program potential, that is an additional $630,000 per year in savings for participants. That's money they can choose to spend on food, clothes, and other necessities.[3]
- **Increased participation** — With more than $540,000 remaining in the program, e-bike costs remains one of the largest barriers for lower-income residents.[4] More meaningful subsidies enables more to participate;
- **Reduce fossil fuels** consumption — Encouraging more active transportation equates to individual reduction in driving by 7 percent by 2035 and community-wide avoidance of consuming 19,500 barrels of oil per year (enough to power 50 Hawai'i homes).[5]

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

Thank you for the opportunity to testify.

Respectfully,

Mariah Yoshizu
Government Affairs Associate

[2] https://www.denverpost.com/2023/01/05/ebike-rebate-program-denver-2023/
[3] Impacts calculated for Hawaii-specific inputs based on RMI's e-bike environmental and economic impact assessment tool based on the bill's proposed incentives for 3 years and up to $2.1 million. https://rmi.org/insight/e-bike-environment-and-economics-impact-assessment-calculator/
[4] Presentation available upon request from the Hawai'i State Energy Office (December 2023 virtual briefing)
[5] Same as above, but note adapted for Hawaii home energy consumption (2x as much as the average American home).