

**ACT 216**

S.B. NO. 1427

A Bill for an Act Relating to Procurement of High Energy Efficient Vehicles.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the state vehicle fleet totaled almost five thousand vehicles in 2003. Therefore, if annual vehicle purchases were subject to efficiency requirements, the economic benefits to the State would have been substantial. For example, the net present value of fuel savings over a vehicle's fourteen-year lifetime at the government discount rate of three per cent is approximately \$8,200. This far exceeds the incremental costs of approximately \$3,200 for the most advanced efficiency vehicles, equating to \$5,000 for every high-energy efficient vehicle purchased. The same savings could also be realized for existing off-

the-shelf hybrid gas-electric vehicles, particularly in light of the high gasoline prices in Hawaii.

The legislature finds that it is important to recognize life-cycle benefits in state procurement policies.

SECTION 2. Chapter 103D, Hawaii Revised Statutes, is amended by adding a new section to part IV to be appropriately designated and to read as follows:

**“§103D- Highly energy-efficient vehicles.** (a) The procurement policy for all agencies purchasing or leasing motor vehicle fleets shall be to obtain alternative fuel vehicles. Beginning January 1, 2006, all state agencies are directed to procure increasing percentages of alternative fuel vehicles as part of their annual vehicle acquisition plans, which shall be as follows:

- (1) By January 1, 2007, at least twenty per cent of newly purchased light-duty vehicles acquired by each agency shall be alternative fuel vehicles;
- (2) By January 1, 2009, at least forty per cent of newly purchased light-duty vehicles acquired by each agency shall be alternative fuel vehicles; and
- (3) For each year subsequent to January 1, 2009, the percentage of alternative fuel vehicles newly purchased shall be five percentage points higher than the previous year, until at least sixty per cent of each agency’s newly purchased, light-duty vehicles are alternative fuel vehicles.

(b) For purposes of this section:

“Agency” means a state agency, office, or department.

“Alternative fuel vehicle” means a vehicle that:

- (1) Is powered primarily through the use of an electric battery or battery pack that stores energy produced by an electric motor through regenerative braking to assist in vehicle operation;
- (2) Is propelled by power derived from one or more cells converting chemical energy directly into electricity by combining oxygen with hydrogen fuel that is stored on board the vehicle in any form; or
- (3) Draws propulsion energy from onboard sources of stored energy generated from an internal combustion or heat engine using combustible fuel and a rechargeable energy storage system.

(c) Agencies may offset the purchase requirements for alternative fuel vehicles by successfully demonstrating percentage improvements in overall light-duty vehicle fleet mileage economy. The offsets shall be measured against the fleet average mileage economy using calendar year 2004 as a baseline, on a percentage-by-percentage basis.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Became law on July 12, 2005, without the Governor’s signature, pursuant to Art. III, §16, State Constitution.)

**Note**

1. Edited pursuant to HRS §23G-16.5.