

## ACT 241

S.B. NO. 2570

A Bill for an Act Relating to Zero Emission Vehicle Fueling Rebates.

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

SECTION 1. Chapter 269, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§269- Zero-emission vehicle fueling system rebate program.** (a) The public utilities commission, in consultation with zero-emission vehicle stakeholders and the Hawaii state energy office, shall administer a zero-emission vehicle fueling system rebate program that incentivizes the installation or upgrade of a zero-emission vehicle fueling system, as provided in this section, and may contract with a third-party administrator pursuant to section 269-73 to operate and manage the rebate program.

(b) An applicant may be eligible for a rebate under the rebate program if the applicant installs a hydrogen fueling system; provided that it stores or dispenses only renewable hydrogen.

(c) Rebates shall be distributed for each eligible installation of a zero-emission vehicle fueling system as follows:

- (1) \$200,000 for the installation of a hydrogen fueling system; provided that it stores or dispenses only renewable hydrogen; and
- (2) \$200,000 for the upgrade of fuel capacity for a hydrogen fueling system; provided that it stores or dispenses only renewable hydrogen.
- (d) The public utilities commission shall:

- (1) Prepare any forms that may be necessary for an applicant to claim a rebate pursuant to this section; and
- (2) Require each applicant to furnish reasonable information to ascertain the validity of the claim, including but not limited to documentation necessary to demonstrate that the installation or upgrade for which the rebate is claimed is eligible.
- (e) This section shall apply to hydrogen fueling systems that are installed or upgraded after December 31, 2022.

(f) Applicants shall submit applications to the public utilities commission within twelve months of the date that the newly installed or upgraded hydrogen fueling system is placed into service to claim a rebate from the zero-emission vehicle fueling system rebate program. Failure to apply to the commission within twelve months of the date that the newly installed or upgraded hydrogen fueling system is placed into service shall constitute a waiver of the right to claim the rebate.

(g) Nothing in this section shall alter taxes due on the original purchase or upgrade price of a hydrogen fueling system prior to the application of the rebate. Any rebate received pursuant to the zero-emission vehicle fueling system rebate program shall not be considered income for the purposes of state or county taxes.

(h) In administering the zero-emission vehicle fueling system rebate program, the public utilities commission shall give priority to hydrogen fueling systems that are publicly available, serve multiple tenants, employees, or customers, or serve electric vehicle fleets.

(i) For the purposes of this section:

“Applicant” means an individual; non-profit or for-profit corporation; local, state, or federal government agency; homeowner association; or any other eligible entity as defined under rules adopted for the zero-emission vehicle fueling system rebate program.

“Renewable hydrogen” means hydrogen produced entirely from renewable sources that have a life cycle emissions of not more than fifty grams of carbon dioxide per kilowatt hour.

“Zero-emission vehicle fueling system” means a hydrogen fueling system that stores and dispenses only renewable hydrogen.”

SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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

- (1) 5 cents of the tax on each barrel shall be deposited into the environmental response revolving fund established under section 128D-2;
- (2) 4 cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;
- (3) [8] 5 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169.1; and
- [(4)] 3 cents of the tax on each barrel shall be deposited into the electric vehicle charging system subaccount established pursuant to section 269-33(e) [-]; and

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

The tax imposed by this subsection shall be paid by the distributor of the petroleum product.”

SECTION 3. Section 269-33, Hawaii Revised Statutes, is amended to read as follows:

**“§269-33 Public utilities commission special fund.** (a) There is established in the state treasury a public utilities commission special fund to be administered by the public utilities commission. The proceeds of the fund shall be used by the public utilities commission and the division of consumer advocacy of the department of commerce and consumer affairs for all expenses incurred in the administration of chapters 269, 271, 271G, 269E, and 486J, and for costs incurred by the department of commerce and consumer affairs to fulfill the department’s limited oversight and administrative support functions; provided that the expenditures of the public utilities commission shall be in accordance with legislative appropriations. On a quarterly basis, an amount not exceeding thirty per cent of the proceeds remaining in the fund after the deduction for central service expenses, pursuant to section 36-27, shall be allocated by the public utilities commission to the division of consumer advocacy and deposited in the compliance resolution fund established pursuant to section 26-9(o); provided that all moneys allocated by the public utilities commission from the fund to the division of consumer advocacy shall be in accordance with legislative appropriations.

(b) All moneys appropriated to, received, and collected by the public utilities commission that are not otherwise pledged, obligated, or required by law to be placed in any other special fund or expended for any other purpose shall be deposited into the public utilities commission special fund including, but not limited to, all moneys received and collected by the public utilities commission pursuant to sections 92-21, 243-3.5, 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and 607-5.

(c) The public utilities commission shall submit an update as part of its annual report submitted pursuant to section 269-5 detailing all funds received and all moneys disbursed out of the fund.

(d) All moneys in excess of \$1,000,000 remaining on balance in the public utilities commission special fund on June 30 of each year shall lapse to the credit of the state general fund; provided that this ceiling shall not apply to the subaccount established in ~~subsection~~ subsections (e)[-] and (f).

(e) There is established within the public utilities commission special fund an electric vehicle charging system subaccount. The public utilities commission shall expend moneys in the subaccount for the purposes of funding the electric vehicle charging system rebate program established pursuant to sections 269-72 and 269-73. The funds in this subaccount shall not be subject to the special fund ceiling in subsection (d).

(f) There is established within the public utilities commission special fund a hydrogen fueling system subaccount. The public utilities commission shall expend moneys in the subaccount for the purposes of funding the zero-emission vehicle fueling system rebate program established pursuant to section 269- . The funds in this subaccount shall not be subject to the special fund ceiling in subsection (d).”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

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**SECTION 5.** This Act shall take effect on July 1, 2022.  
(Approved July 5, 2022.)

### **Note**

1. Edited pursuant to HRS §23G-16.5.