

Testimony before the House Committee on  
Transportation

S.B. 2365, SD1 Relating to Transportation

Monday, March 10, 2008  
10:00 a.m., Conference Room 309

By Carlos Perez Loriga  
Director  
Customer Technology Applications Division  
Hawaiian Electric Company, Inc.

Chair Souki, Vice Chair Nishimoto and members of the Committee:

My name is Carlos Perez Loriga and I am testifying on behalf of Hawaiian Electric Company, Inc., and its subsidiary utilities, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc.

S. B. 2365 SD1 proposes to allow hybrid and other energy efficient vehicles to utilize high occupancy vehicle lanes regardless of the number of passengers in the vehicle.

Hawaiian Electric Company strongly supports S.B. 2365 SD1 to promote the increased use of hybrid and other energy efficient vehicles. We encourage the committee to consider an amendment to specifically include plug-in hybrid electric vehicles as well. Increased consumer acceptance of hybrid and plug-in hybrid electric vehicles will help to achieve reductions in greenhouse emissions and fossil fuel use; it will also increase energy efficiency and conservation, promote the use of renewable resources and decrease our dependency on imported oil.

Thank you for the opportunity to testify.

## nishimoto2-Bryce

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**From:** Gary Waters [gwaters40@hawaiiantel.net]  
**Sent:** Saturday, March 08, 2008 5:38 PM  
**To:** TRNtestimony  
**Cc:** Rock Riggs; Gwaters40  
**Subject:** SB2365 SD1

Representative Joseph M. Souki, Chair  
Representative Scott Y. Nishimoto, Vice Chair House Committee on Transportation

Testimony in Support of SB 2365, SD1

Monday, March 10, 2008  
10:00am, Conference Room 309

Aloha Chair Souki and Committee members,

I am writing in strong support of SB 2365, SD1, which would allow hybrid and other energy-efficient vehicles to use the HOV/Zipper lanes. I live in Royal Kunia and commute to downtown/Hawaii Loa HPU campus. Some information below is submitted to support my request;

High Occupancy Vehicle (HOV) lanes were built in many of American's metro areas in the 1980s and 1990s to encourage commuting by carpool and buses. Now states are selectively expanding access to these express lanes (zipper lanes) to encourage commuters to buy leaner, more fuel-efficient cars. At least 15 states have enacted legislation that would allow owners of hybrid vehicles to use HOV lanes when driving alone and thirteen states are considering such legislation.

In August 2005 President Bush signed the Federal Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2005 (SAFETEA) provides states with the option to allow hybrid vehicles to use HOV lanes if the program does not degrade the performance of HOV lanes. Already in place is a Federal Tax credit for owners of hybrids. In the state of Hawaii, Toyota sold 663 hybrids and as of Nov 2007, 564 units were sold. In 2007, the Toyota Prius was one of the 10 best selling cars in America.

By encouraging the use of cleaner, more energy-efficient vehicles on our roadways and providing the Hawaiian driver an incentive to use them, we will reduce our dependence on imported energy and help improve our environment.

More and more states are using a variety of strategies to begin to clear the air and drivers who make the commitment to clean air and energy efficiency should be allowed the incentive and reward of driving in our HOV/Zipper lanes.

Mahalo for taking the time to consider my request.

Gary A. Waters  
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Representative Joseph M. Souki, Chair  
Committee on Transportation

Testimony in Support of SB 2365, SD1

Monday, March 10, 2008  
10:00am, Conference Room 309, State Capital 415 Beretania Street

I am David Diamond, a PhD Candidate at the School of Public Policy at George Mason University, in Fairfax, Virginia, and I am testifying in favor of SB 2365 SD1, which would allow hybrid electric vehicles (HEVs) and other energy-efficient vehicles to use of high occupancy vehicle (HOV) lanes in Hawaii regardless of the number of occupants.

As part of my dissertation work, I have conducted extensive research on the impact of government incentive policies on the adoption of HEVs. I found that under specific circumstances, HOV lane incentives for hybrids have had a dramatic impact on adoption. Specifically, HOV lane incentives were extremely significant in Northern Virginia, where hybrids have been allowed unrestricted access to HOV lanes on three major highways. In Stafford County, Virginia, where the Interstate 95/395 HOV lanes begin, hybrids accounted for over 6% of all new vehicles registered (based on Virginia DMV data) during Virginia fiscal year 2006<sup>1</sup>. This figure was approximately twice the state average for FY06 and four times the 2006 national market share average of 1.5% (based on a RL Polk and Company press release). The impact of the incentive in Northern Virginia was significant even after correcting for income, political affiliation and average county gasoline price.

Several caveats apply. HOV incentives are most likely to be effective when using HOV lanes provides a significant time savings to commuters. Subsequently, HOV incentives have had little impact on hybrid sales in Hampton Roads Virginia, where HOV lanes offer less of an advantage than in Northern Virginia. HOV incentives should also be monitored to ensure that they do not result in the HOV lanes themselves becoming congested, which could ultimately discourage carpooling and hybrid purchases. The state should also consider extending access to other types of vehicles in the future (such as clean diesels and all-electric cars) that offer the same types of fuel savings and low emissions as hybrids. Some people in Virginia have questioned whether the gas savings of hybrids on the HOV lanes justifies their use with only one occupant. However, it should be noted that the environmental benefits of purchasing a hybrid extend beyond the daily commute, since commuters drive their hybrid vehicles on weekends and evenings as well.

In conclusion, I believe that SB 2365 could significantly increase HEV adoption in Hawaii. This in turn could have a positive environmental impact, provided that Hawaii is careful to re-evaluate the law periodically, to ensure that it has not discouraged people who currently carpool from continuing to do so.

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<sup>1</sup> Virginia FY06 is July 1, 2005 through June 30, 2006