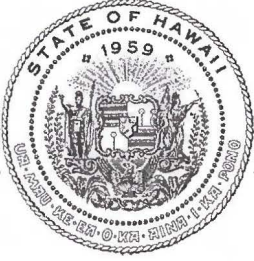


**SB2950**

**RELATING TO ELECTRIC  
VEHICLES**



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**LUIS P. SALAVERIA**  
**Director**

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON TRANSPORTATION AND ENERGY  
AND  
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND  
HEALTH**

Thursday, February 11, 2016  
2:48 p.m.  
State Capitol, Conference Room 229

in consideration of  
**SB 2950**

**RELATING TO ELECTRIC VEHICLES**

Chairs Inouye and Baker, Vice Chairs Gabbard and Kidani, and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of Senate Bill 2950, which authorizes the public benefits fee (PBF) to be used to install and upgrade electric power infrastructure to facilitate the use of electric vehicles; and authorizes the public benefits fee administrator to establish procedures for the administration of public benefits fee programs that install or upgrade electric power infrastructure to facilitate the use of electric vehicles (EV). From October to December of 2015, DBEDT served as the chair of the Act 164 Working Group, tasked to examine issues regarding requests to the board of directors of a MUD (multi-unit dwellings) for the installation of EV charging systems.

Facilitating home charging for EV drivers or potential EV drivers that live in MUDs, including condominiums, cooperative housing, and community associations will advance EV use and contribute to the State's renewable energy goals. An estimated thirty-eight percent of Hawaii's housing units are MUDs. Increasing the availability of EV charging systems located at MUDs could enable roughly one-third of households to own EVs.

DBEDT recognizes there is not a "one-size-fits-all" solution for addressing challenges associated with the installation of EV charging systems. Providing the opportunity and flexibility to the PBF program administrator to create programs to address EV charging in MUDs will allow incentives to be targeted at facilities with the greatest cost benefit as well as allow the incentive level and structure to be adjusted based on market conditions.

DBEDT supports the intent of the bill, with minor concerns relating to specific language in the bill relating to "case by case" and "in each case" as referenced in Section 1, part 2, line 13, and Section 2, part 2, lines 8 and 9, respectively. DBEDT is concerned that requiring a "case by case" and "in each case" determination of contributed matching funds could create an unnecessary administrative burden. Program structures which require matching funds would not need a case by case evaluation. By requiring a "case by case" or "in each case" approach, there is the potential for increased administrative costs thereby reducing the efficiency of such programs. DBEDT respectfully defers to the Hawaii Public Utilities Commission on the administration and fiscal impacts of the proposed measure.

Thank you for the opportunity to provide these comments regarding SB 2950.



DAVID Y. IGE  
GOVERNOR  
SHAN S. TSUTSUI  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
www.hawaii.gov/dcca

CATHERINE P. AWAKUNI COLÓN  
DIRECTOR  
JO ANN M. UCHIDA TAKEUCHI  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES ON  
TRANSPORTATION AND ENERGY  
AND  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

THE TWENTY-EIGHTH LEGISLATURE  
REGULAR SESSION OF 2016

THURSDAY, FEBRUARY 11, 2016  
2:48 P.M.

TESTIMONY OF JEFFREY T. ONO, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE LORRAINE R. INOUE AND  
THE HONORABLE ROSALYN H. BAKER, CHAIRS,  
AND MEMBERS OF THE COMMITTEES

SENATE BILL NO. SB 2950 - RELATING TO ELECTRIC VEHICLES

DESCRIPTION:

This measure proposes to authorize the public benefits fee to be used to install and upgrade electric power infrastructure to facilitate the use of electric vehicles ("EVs"). This measure also proposes to authorize the public benefits fee administrator to establish procedures for the administration of public benefits fee programs to install or upgrade electric power infrastructure to facilitate the use of EVs. Sunsets on June 30, 2020.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") opposes this bill.

COMMENTS:

The public benefits fee ("PBF") currently supports energy efficiency programs and services, in furtherance of achieving the State's Energy Efficiency Portfolio Standards ("EEPS"). The Consumer Advocate values the role EVs may play in

advancing the State's clean energy objectives; however, the Consumer Advocate is concerned that adding "[t]he installation and upgrade of electric power infrastructure to facilitate the use of electric vehicles" to the list of items already supported by the public benefits fee may detract from achievement of the State's energy efficiency goals and demand response objectives. The Consumer Advocate previously noted the possible tension between use of the PBF to fund additional programs and the State's inclination to seek greater levels of energy efficiency and demand response with respect to the GEMS Program. This concern is exacerbated as the number of programs supported by the public benefits fee grows.

This bill states that it should, "be implemented without an increase in the current rate of the public benefits fee." The Consumer Advocate supports that intent as electric customers should not be asked to bear costs not required for electric service. Yet, it is unclear how the fee is expected to support these expanded goals if the rate is not increased.

The bill also grants the Public Benefits Fee Administrator discretion in determining whether sufficient private funding has been contributed toward electric power infrastructure installation prior toward using funds from the PBF. Without clear guidance and/or incentives regarding the ranking or attainment of the various programs supported by the PBF, however, these decisions may not be appropriately aligned with the goals and priorities of the State or consistent with the public interest.

If this bill advances and ratepayer funds are used toward EV charging infrastructure, then the Consumer Advocate prefers workplace charging stations, which may potentially benefit a larger number of customers while more directly addressing the grid challenges faced by the State today, over home-based charging stations. That is, workplace charging stations would facilitate electricity consumption during the daytime and be coincident with the surplus of energy generated by PV resources, as compared to home-based charging stations that might exacerbate usage during peak load hours.

The Consumer Advocate also has general concerns with the possible interpretation of the allowable expanded uses of the PBF. The proposed statutory language states that the funds could be used to "[i]nstall and upgrade electric power infrastructure to facilitate the use of electric vehicles. . ." The proposed language could be interpreted to mean the public benefit funds could be used for any "infrastructure," including conduits, the structural work required to remove and/or install the new conduits, the wiring necessary to connect the charging stations to the electric grid, or any necessary upgrades to other infrastructure, such as transformers, to name a few examples. These types of general costs should not be funded by the PBF nor by electric service customers.

Thank you for this opportunity to testify.

**Testimony before the Senate Committees on  
Transportation and Energy and  
Commerce & Consumer Protection & Health**

**By Michael Colón  
Director, New Customer Initiatives  
Hawaiian Electric Company, Inc.**

**Senate Bill 2950 – Relating to Electric Vehicles  
Thursday, February 11, 2016**

Chairs Inouye & Baker, Vice Chairs Gabbard & Kidani, and Members of the Committees:

My name is Michael Colón and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawaii Electric Light Company (collectively, the “Hawaiian Electric Companies”).

Senate Bill 2950 authorizes the public benefits fee to be used to install and upgrade electric power infrastructure to facilitate the use of electric vehicles. Senate Bill 2950 also authorizes the public benefits fee administrator to establish procedures for the administration of public benefits fee programs that install or upgrade electric power infrastructure to facilitate the use of electric vehicles.

The Hawaiian Electric Companies support the intent of this bill to provide a solution to the complex challenges posed by increasing the availability of electric vehicle charging in existing multiple unit dwellings. Last year, Hawaiian Electric participated in a working group comprised of state lawmakers, representatives from various State agencies, business representatives and community interest groups. The group worked collaboratively to explore the challenges and current landscape for electric vehicle charging in multiple unit dwellings. The group effort was productive, professional, and very informative, and ultimately determined that one of the largest obstacles to the installation of electric vehicle charging infrastructure in existing multiple unit dwellings, is the prohibitive costs of installation, which often can prove too high for the average interested resident to bear. Thus, it was important to identify a source of capital that can be utilized to offset the costs of such infrastructure. The group ultimately identified the public benefits fee program as a potential source of capital that could be leveraged to help fund installations while remaining consistent with the program’s underlying purpose to support

clean energy technology. Importantly, the use of public benefits program funds for this purpose can be achieved without an increase to the fee surcharge to Hawaiian Electric Companies' customers.

The Hawaiian Electric Companies therefore contend that the use of the public benefits fee program (in conjunction with private funding) to help offset the costs of electric vehicle charging infrastructure in multiple unit dwellings is an appropriate use of such funds, to the extent that any cost shift impacting non-beneficiaries is minimized. The increased availability of electric vehicle charging, particularly in multiple unit dwellings will help to unleash additional electric vehicle market potential, thereby contributing to a reduction in imported fossil fuels and a reduction in greenhouse emissions that will benefit the entire State.

Thank you for the opportunity to testify.