



**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**  
Friday, February 3, 2017  
1:20p.m.

State Capitol, Conference Room 225

in consideration of  
**SB 234**  
**RELATING TO ELECTRIC VEHICLES**

Chairs Inouye and Baker, Vice Chairs Dela Cruz and Nishihara, and Members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of Senate Bill 234, authorizing the public benefits fee to be used to install and upgrade electric power infrastructure to facilitate the use of electric vehicles (EV); 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.

An estimated thirty-eight percent of Hawaii's housing units are MUDs (multi-unit dwellings). Increasing the availability of EV charging systems located at MUDs could enable roughly one-third of households to own EVs. Facilitating the installation of EV charging infrastructure in MUDs will advance EV use and contribute to the State's renewable energy goals, consistent with Hawaii Revised Statutes §226-18, "Increased energy security and self-sufficiency through the reduction and ultimate elimination of Hawaii's dependence on imported fuels for electrical generation and ground transportation."

From October to December of 2015, DBEDT served as the chair of the Act 164 Working Group, tasked to address the issues regarding the installation of EV charging stations in MUDs. DBEDT drafted and published a final report in December, 2015 which highlighted there is not a "one-size-fits-all" solution for addressing challenges

associated with the installation of EV charging systems, however the cost challenges faced by MUDs in the installation or upgrade of electric power infrastructure for the purpose of facilitating the deployment of EV charging systems may be assisted by a statewide incentive program and the public benefits fee (PBF) program may be one source of funding that could be further explored to support such an incentive program.

DBEDT supports providing the PBF program administrator with the opportunity and flexibility to create programs addressing the installation of EV charging infrastructure in MUDs. This would allow incentives to be targeted at facilities with the greatest cost benefit, as well as allow the incentive level and program structure to be adjusted based on market conditions.

DBEDT recommends removing mention of “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 offer DBEDT’s position on SB 234.



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](http://www.hawaii.gov/dcca)

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

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

THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2017

FRIDAY, FEBRUARY 3, 2017  
1:20 PM

TESTIMONY OF DEAN NISHINA, EXECUTIVE DIRECTOR, DIVISION OF  
CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER  
AFFAIRS, TO THE HONORABLE LORRAINE R. INOUE, CHAIR,  
THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND MEMBERS OF THE COMMITTEES

SENATE BILL NO. 234 - 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 and to authorize 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.

POSITION:

The Division of Consumer Advocacy ("Consumer Advocate") has concerns regarding this bill.

COMMENTS:

The electrification of transportation in Hawaii is an important part of the State's quest to a clean energy future. In recognition of the potential role that electrification of transportation may play as part of Hawaii's clean energy future, the Consumer Advocate is part of the Drive Electric Hawaii initiative, which seeks to accelerate the cost-effective adoption of electric vehicles in Hawaii. However, the Consumer Advocate has concerns about diverting funds collected through the Public Benefits Fee to fund electric vehicle charging infrastructure.

Utility ratepayers contribute to the Public Benefits Fee<sup>1</sup> through a surcharge on their monthly energy usage. However, by partially repurposing funds collected through the Public Benefits Fee, which has already been reduced due to diversions into the Hawaii green infrastructure special fund, towards the installation of electric vehicle infrastructure, this may have the unintended consequence of reducing the ability to meet the Energy Efficiency Portfolio Standards set forth in Hawaii Revised Statutes § 269-96. Further, diversions of the Public Benefits Fee towards the installation of electric vehicle charging infrastructure will primarily and directly benefit only the subset of utility ratepayers who currently drive an electric vehicle, who will see substantial benefits from that collective investment. Additionally, allowing the use of the Public Benefit Fee as currently designed would result in the customers who do not have a distributed energy resource in place to bear most of the costs. Furthermore, the Consumer Advocate believes that it is necessary to provide greater guidance regarding what criteria and benchmarks should be used by the public benefits fee administrator to evaluate whether sufficient private moneys have been contributed towards possible infrastructure projects.

Thank you for this opportunity to testify.

---

<sup>1</sup> On electric bills, this appears as the PBF Surcharge.

TESTIMONY OF RANDY IWASE  
CHAIR, PUBLIC UTILITIES COMMISSION  
STATE OF HAWAII  
TO THE  
SENATE COMMITTEES ON  
TRANSPORTATION AND ENERGY  
&  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

February 3, 2017  
1:20 p.m.

**MEASURE:** S.B. No. 234  
**TITLE:** RELATING TO ELECTRIC VEHICLES

Chair Inouye, Chair Baker, and Members of the Committees:

**DESCRIPTION:**

This measure proposes to expand the use of the public benefits fee (“PBF”) to the installation and upgrade of electric power infrastructure to facilitate the use of electric vehicles (“EVs”). This measure would also authorize the PBF administrator to establish procedures for the administration of such EV power infrastructure programs.

**POSITION:**

The Public Utilities Commission (“Commission”) offers the following comments for the Committees’ consideration.

**COMMENTS:**

The Commission notes that the funds collected through the PBF were originally intended to support efforts to meet the State’s statutory Energy-Efficiency Portfolio Standard (“EEPS”) requirement of 4,300 GWh of electricity use reduction statewide by 2030 (See HRS section 269-96). At present, PBF funds are used to support energy-efficiency programs administered by Hawaii Energy to meet the State’s EEPS requirements, as well as to support the GEMS green infrastructure financing program. Additional uses for PBF funds may limit the State’s ability to meet the goals of the programs currently supported by the PBF, including achieving the State’s statutory EEPS requirements. If PBF funds become too limited to support the programs tied to it, an increase in the surcharge may be necessary.

Thank you for the opportunity to testify on this measure.



February 1, 2017

**Senator Lorraine Inouye Chair,  
Senator Donovan Dela Cruz Vice Chair,  
and Committee Members of the Senate Committee on Transportation and Energy**

**RE: ICC Supports Passage of SB 234**

Dear Chair, Vice Chair and Committee Members:

The International Code Council (ICC) is a 58,000 member, non-profit public benefit corporation dedicated to helping the building safety community and construction industry provide safe, sustainable, energy-efficient and affordable construction through the development of codes and standards used in the design, building and compliance process by state and local governments including the State of Hawaii and its Counties.

ICC applauds the courage, commitment and leadership demonstrated by the Hawaii State Legislature by setting clean energy initiatives and renewable energy portfolio standards with the goal for the State to be one hundred percent renewable by 2045.

The passage of SB 234 will benefit the public and will increase investment for new installations of electric vehicle charging stations and aid in the upgrading of the existing infrastructure available for electric vehicle charging stations.

ICC strongly supports and urges passage of SB 234 because it will work towards achieving the State's energy policy goals.

Thank you for your consideration of my comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Kraig Stevenson", with a long, sweeping underline.

Kraig Stevenson, CBO  
ICC Government Relations  
[kstevenson@iccsafe.org](mailto:kstevenson@iccsafe.org)  
562-201-9209