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TO THE HOUSE COMMITTEES ON
ENERGY AND ENVIRONMENTAL PROTECTION
AND
TRANSPORTATION

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Friday, March 16, 2018
10:05 A.M.

TESTIMONY ON SENATE BILL NO. 2955, S.D. 2 RELATING TO ZERO-EMISSION VEHICLES.

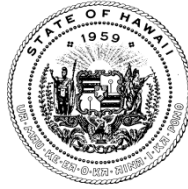
TO THE HONORABLE CHRIS LEE, CHAIR, THE HONORABLE HENRY J.C. AQUINO, CHAIR, AND MEMBERS OF THE COMMITTEES:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on S.B. 2955, S.D. 2, Relating to Zero-Emission Vehicles. My name is Stephen Levins, and I am the Executive Director of the Department’s Office of Consumer Protection (“OCP”). The Department has concerns about this bill.

This bill adds a new section to Hawaii Revised Statutes (“HRS”) chapter 437D that: (1) sets requirements for rental motor vehicle lessors operating in Hawaii, with more than two hundred light duty passenger vehicles, to expedite the incorporation of zero-emission vehicles in the lessors’ fleets by 2030; and (2) requires each motor vehicle lessor operating in Hawaii to report certain fleet information to the director of commerce and consumer affairs. S.D. 2 amends S.B. 2955 by inserting an effective date of July 1, 2050.

OCP enforces HRS chapter 437D, which regulates the motor vehicle rental industry. The Department respectfully submits that the proposed section in this measure is not appropriately placed in chapter 437D, since this bill focuses on meeting the State's clean energy goals through motor vehicles using renewable energy, whereas the purpose of chapter 437D is to protect the rights of consumers renting motor vehicles. Furthermore, OCP regulates disclosures and commercial activity directly related to consumers' rental of vehicles; it does not regulate the composition of rental vehicle fleets, unless that composition is misrepresented to consumers.

Thank you for the opportunity to testify on S.B. 2955, S.D. 2. I would be happy to answer any questions the Committee may have.



Testimony by:
JADE T. BUTAY
DIRECTOR

Deputy Directors
ROY CATALANI
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 16, 2018
10:05 a.m.
State Capitol, Room 423

S.B. 2955, S.D. 2
RELATING TO ZERO EMISSION VEHICLES

House Committee on Energy and Environmental Protection
And
House Committee on Transportation

The Department of Transportation (DOT) – Airports Division **opposes** S.B. 2955, S.D. 2 the Renter Motor Vehicle Emission Surcharge Tax bill.

Although we support environmental and sustainable initiatives and setting goals to incorporate zero-emission vehicles by mandated timelines, levying fines of \$1000.00 per month to lessors who are found to have fewer than the required number of zero-emission vehicles in their rental motor vehicle fleet within the prescribed schedule is a cost burden that may decrease demand and will affect rental car concession revenues, which is by far our largest concessionaire revenue generator at \$64.5 million. This proposal may require additional capital to redesign/retrofit the existing Consolidated Rental Car Facilities (currently under construction) so the zero-emission fleet requirements can be accommodated.

Lastly, the rental car industry may lose revenues due to uncertain rentals of zero-emission vehicles. Zero emission vehicles are still an emerging trend that has not materialized into full awareness potential with the general public.

Thank you for the opportunity to provide testimony.



ORGANIZING *for* ACTION

To: The House Committee on Energy & Environmental Protection
From: Brodie Lockard, OFA Hawaii, 808-262-1285
Date: Friday, 3/16/18

In strong support of SB 2955 SD2

Dear Chair Lee, Vice Chair Lowen and Committee members,

I am the Hawaii Climate Lead for Organizing for Action, a progressive group that played a lead in electing President Barack Obama twice. OFA Hawaii strongly supports SB 2955 SB2, with three amendments.

The definition of "zero-emission vehicle" should not include plug-in hybrid electric vehicles. The legislature has the opportunity—and the power—to mandate very significant use of *real* zero-emission vehicles with this bill. Don't water it down by allowing sort-of-clean vehicles. Rental car companies will have to buy many new cars to comply with SB 2955; they should buy fully electric or hydrogen ones, not ones that will perpetuate our embarrassingly high percentage of imported fossil fuels.

Secondly, the definition of "Hydrogen fuel cell vehicle" should specify hydrogen made from renewable sources. Hydrogen can be produced in many ways, including by burning fossil fuels.

Thirdly, it's disappointing to see this bill's original dates delayed by five years. Climate change is very much upon us. Important measures like this should take effect absolutely as soon as possible. We have kicked the can down the road for far too long and must take immediate responsibility for the damage we've already done.

As of January 2018 there were 6,748 passenger electric vehicles in the state, out of 1,062,518 total registered passenger vehicles, or an anemic 0.64 percent [1]. We should be doing everything we can to increase that percentage.

Zero-emission vehicles (ZEVs) provide many benefits to lessors, renters, and the State.

For lessors:

The price of ZEVs and replacement batteries continue to drop, while the number of available ZEV models continues to increase.

ZEVs have lower maintenance costs because there are usually fewer fluids to change and far fewer moving parts.

For renters:

ZEVs have lower fuel costs, and many charging stations here are free. Even at today's low gas prices, charging an electric vehicle on the typical residential rate may save about 35 percent of fuel costs, compared to a similar-sized gasoline-powered sedan [2].

The charging time of ZEVs continues to drop, while their range and the number of charging stations in the State continues to climb, making hybrids' gasoline backup fuel less and less necessary.

ZEVs get free parking in state and municipal lots and street spaces, plus access to high-occupancy lanes with only a driver on board.

And for the State:

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii [3].

More ZEV rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.

More ZEV rentals would show Hawaii's 8.9 million annual visitors that Hawaii is a leader in clean energy and sustainable transportation. Demonstrating their many benefits to visitors will also spread the word far beyond our state.

Please support SB 2955 SD2, amended, so the largest passenger vehicle fleets in Hawaii will contribute their share in reaching our clean energy goals.

Thank you for the opportunity to testify.

[1] http://files.hawaii.gov/dbedt/economic/data_reports/energy-trends/Energy_Trend.pdf

[2] <https://www.hawaiianelectric.com/clean-energy-hawaii/electric-vehicles>

[3] <https://www.eia.gov/state/analysis.php?sid=HI>

Brodie Lockard
OFA Hawaii Climate Lead

SB-2955-SD-2

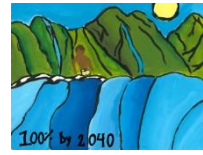
Submitted on: 3/14/2018 10:25:56 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Graham	350.org	Support	No

Comments:

Thank you for taking comments. I support this bil. It is great way to mitigate the effects of tourism on our islands. Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii. More zero-emission vehicles (ZEV) rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.



**HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION AND
HOUSE COMMITTEE ON TRANSPORTATION**

March 16, 2018, 10:05 A.M.

Room 423

(Testimony is 4 pages long)

TESTIMONY IN STRONG SUPPORT OF SB2955 SD2 WITH COMMENTS

Aloha Chairs Lee and Aquino, Vice Chairs Lowen and Quinlan, and members of the Committees:

Blue Planet Foundation strongly supports Senate Bill (SB) 2955 SD2, which requires that an increasing percentage of rental cars used in Hawaii be zero-emission vehicles (ZEVs). However, we do have one primary issue with the bill we would urge the committees to consider.

We urge the committees to restore the dates from the first version of the bill for integrating ZEVs into rental car fleets, which were 2021, 2023 and 2025. The purpose of the bill is to give the rental car industry a nudge in order to get more ZEVs onto the road sooner than would otherwise occur under market conditions. We expect that market forces alone will achieve at least the proscribed levels of ZEV integration and so the policy would be of little if any effect with the dates currently written in the bill.

The rental car industry operates the state's largest vehicle fleets, and the frequent turnover of the vehicles (estimated to be about 13 months) means far more ZEVs entering the secondary market, allowing many more Hawaii residents to experience the benefits of ZEVs and help Hawaii reach its clean energy goals faster.

Blue Planet Foundation is a local, mission-driven nonprofit committed to clearing the path for 100% clean energy in Hawaii and believes that zero-emissions vehicles, like battery electric vehicles (EVs) and hydrogen fuel cell vehicles, will play a pivotal role in helping to eliminate fossil fuel use for both the ground transportation and the electricity sector. ZEVs are better for the environment, can lower household transportation costs, and can help Hawaii's electric utilities achieve 100% renewable electricity while lowering household electric bills.

The volume and model types of battery electric vehicles coming onto the market are expected to dramatically increase in the next five to seven years due to falling costs and EV-supportive policies from nations around the world, particularly those of China, the world's largest vehicle market.

The longer driving ranges, lower costs, and larger selection of models will make it possible for many of Hawaii's residents to lower their carbon footprints and take advantage of the economic benefits that EVs offer. However, the availability and accessibility of charging facilities will likely

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become a significant barrier in coming years, particularly for those living in apartments and condominiums. Furthermore, only a small percentage of the state’s population has the financial resources to purchase new cars and so it could take a number of years for the influx of quality, affordable EVs to trickle down to the secondary market and become available to most people in the state.

Senate Bill 2955 aims to tackle this problem. Rental cars represent the largest vehicle fleets in Hawaii. Policies that expedite the scaling of ZEVs into rental car fleets will not only decrease the carbon footprint of the visitor industry, but due to the high frequency of fleet turnover, will translate into a huge influx of ZEVs onto the secondary market, making them affordable for far more Hawaii residents. Finally, the development of public charging facilities necessary to enable a high penetration of battery EVs in the rental market would be more than adequate to meet the charging needs of the state’s population – serving as the primary charging for those living in multi-family properties and as back up charging for the majority who are able to charge their vehicles at home.

Environmental and Cost Benefits

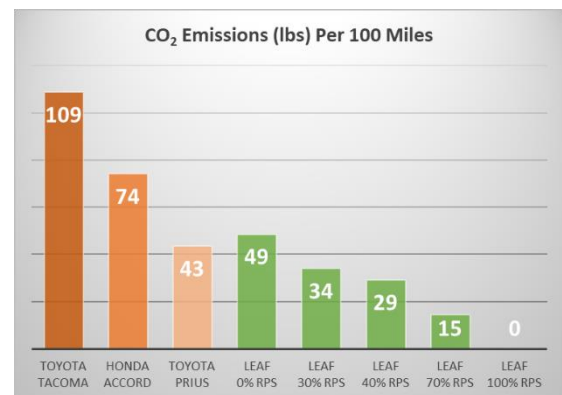
Electric vehicles produce less carbon than conventional vehicles, even when the electricity used to power them comes from fossil fuels. And with the State’s 100% renewable portfolio standard, EVs will be carbon free by 2045.

In addition to the environmental benefits, EVs also present a number of economic benefits to Hawaii residents. Due to lower fuel and maintenance costs, EVs tend to be significantly less expensive to operate than conventional vehicles.

Falling Prices and More Models

Battery costs have fallen precipitously over the past several years so that in many cases, the total cost of ownership for EVs is lower than for conventional vehicles.

Experts expect battery prices to continue to fall and as automakers increase the number of models and volume of EVs in the next few years, the upfront cost of EVs is expected to reach upfront cost parity with conventional vehicles by 2025.¹

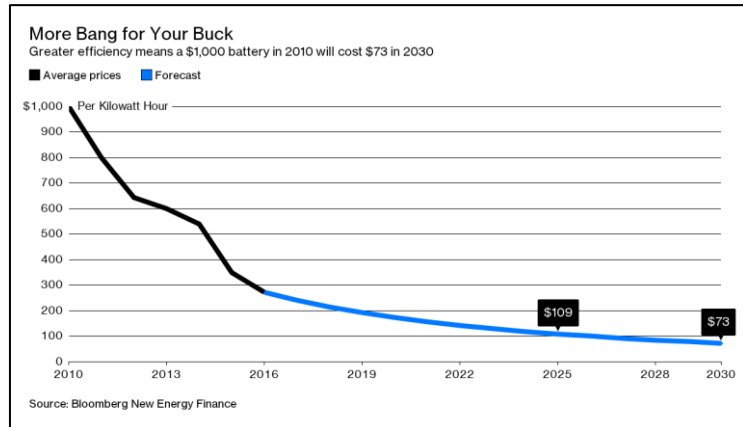


Assumes \$3.00 per gallon gasoline and HECO’s Residential Interim Time of Use Rates and charging during mid-day off peak period (\$0.128/kWh).

¹ Bloomberg New Energy Finance.

In part due to falling costs and increasing consumer demand, and in part due to government policies supporting EVs, **nearly all of the world’s leading automakers have announced aggressive strategies and investments in electric vehicles during the past year.**

Perhaps the biggest single factor contributing to this dramatic strategic shift towards electric is the fact that the world’s largest auto market, China, has announced that it is working on a policy that would ban internal combustion engine vehicles outright as soon as 2030.²



Major Automaker Commitments to EVs

Group	Brands	EV Plans/Commitments
Toyota	Toyota, Lexus, Daihatsu, Isuzu	10 all electric models by early 2020s. Investing \$13.3B on R&D for EVs and batteries by 2030.
Volkswagen	VW, Audi, Bentley, Bugatti, Lamborghini, Porsche	To spend up to \$84B to bring 300 EV models to market by 2030, hybrid or electric version of every model car they offer by 2030. 80 new electric vehicle models by 2025. \$40B from 2017-2022 (five years) to develop battery powered vehicles, autonomous-driving features, and ride-hailing systems
Hyundai	Hyundai, Kia	Eight EVs by 2022, dedicated EV platform.
General Motors	Buick, Cadillac, Chevy, GMC	Two new electric crossovers by mid 2019, 20 new electric models by end of 2022, 1 million units by 2026 GM “believes the future is all-electric”
Ford	Ford, Lincoln	\$11B investment, 40 electrified vehicles (16 full BEVs) by 2022.
Nissan	Nissan, Infinity	Partnering with Nissan to launch 12 ZEVs by 2022.
Honda	Honda, Acura	Two-thirds of all vehicles electrified by 2030.
Renault	Renault	Partnering with Nissan to launch 12 ZEVs by 2022.
Groupe PSA	Peugeot, Citroen, Opel	To offer an all-electric vehicle by 2019, four by 2021, and 3 new plug-in hybrids To offer 40 EV models by 2025, and plans to sell vehicles in the US within 10 years
Suzuki	Suzuki	Partnering with Toyota to produce small electric car for India by 2020.
SAIC	MG, Roewe	To invest 20 billion yuan in new energy vehicles, release more than 30 new models, and work to meet a sales target of 600,000 units by 2020.
Daimler	Mercedes-Benz, Smart	Electric versions of all models by 2022, Smart fully electric.
BMW	BMW, Rolls-Royce, Mini	To offer 25 electrified vehicles in its lineup by 2025, 12 of those fully electric—to have useable range of up to 435 miles.

Rental Car Market

<https://about.bnef.com/blog/electric-cars-reach-price-parity-2025/>

² The Economist. “China moves towards banning the internal combustion engine”
<https://www.economist.com/news/business/21728980-its-government-developing-plan-phase-out-vehicles-powered-fossil-fuels-china-moves>

While there are no publicly available figures on the total number of rental cars on Hawaii's roadways, some have estimated the number to be around 40,000 – which would make rental cars by far the largest vehicle fleets in the state.

Additionally, due to proprietary nature of the rental car business there is no publicly available data on the average turnover rate for rental car fleets in Hawaii, some national estimates put the average turnover time at around 13 months.³

By any estimates, however, incorporating meaningful ratios of ZEVs into rental car fleets would translate into thousands more ZEVs entering the secondary vehicle market each year. This would mean that many more of Hawaii's residents could afford to buy a ZEV, reducing their carbon footprints and lowering their transportation costs.

Conclusion

Zero-emission vehicles are better for the environment and the economy, and can help Hawaii's electric utilities achieve 100% renewable electricity. The rental car industry operates the state's largest vehicle fleets and the frequent turnover of the vehicles would translate into far more ZEVs entering the secondary market, allowing many more Hawaii residents to participate in the benefits of ZEVs.

We believe that this bill will help to dramatically expedite the uptake of ZEVs in Hawaii and help to develop a public charging network necessary to accommodate those vehicles. We urge the committees to pass the bill.

Thank you for the opportunity to testify.

³ The Motley Fool. "Surprising Facts about the Rental Car Industry"
<https://www.fool.com/investing/general/2012/07/13/surprising-facts-about-the-rental-car-industry.aspx>



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 15, 2018

TO: Representative Chris Lee
Chair, Committee on Energy and Environmental Protection

Representative Henry Aquino
Chair, Committee on Transportation

Submitted Via Capitol Website

RE: **S.B. 2955, S.D.2 Relating to Zero-Emission Vehicles**
Hearing Date: Friday, March 16, 2018 at 10:05 a.m.
Conference Room: 423

Dear Chair Lee and Chair Aquino and Members of the Joint Committees:

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, Enterprise CarShare and Enterprise RideShare (Van Pool).

Enterprise Holdings **strongly opposes** S.B. 2955, S.D.2, which requires rental motor vehicle lessors with more than two hundred light duty passenger vehicles to expedite the incorporation of zero-emission vehicles into the lessor's fleet by 2030. The bill also requires all rental motor vehicle lessors to report a list of the make, model, license plate number, and fuel type of each rental motor vehicle in the lessor's fleet to the Director of the Department of Commerce and Consumer Affairs.

Enterprise has been a leader in sustainability in its industry and has been committed to making efforts to incorporate sustainable transportation into its fleet. When electric vehicles came onto the market, Enterprise launched a new program locally to incorporate electric vehicles into their fleet and put them out for rent. Enterprise has also invested in sustainable transportation by incorporating fuel efficient vehicles, as well as car sharing and ride sharing services.

The mandate in this bill requires that rental car companies incorporate electric, hybrid, or fuel cell vehicles in their fleet and meet a 10 percent requirement by 2026, 25 percent by 2028, and 50 percent by 2030. For every vehicle that does not meet this requirement, the companies would be penalized \$1,000 per month per vehicle. While Enterprise appreciates the amendments made to push back the implementation dates, the mandate still poses issues.

Enterprise tried to encourage its customers to rent electric vehicles, but was unsuccessful. As a practical matter, the rental car industry is driven by market

demand. When Enterprise incorporated several electric vehicles into their fleet, the vehicles were ultimately not selected by consumers to rent. Rental car companies cannot force customers to choose cars they do not want to rent. Due to their construction, electric vehicles tend to have small trunk space, so the cars are naturally less desirable for families who come to the islands on vacation.

This mandate is problematic for the industry and the larger community and there will be implementation issues. Although Enterprise cannot know the exact reasons why its customers did not rent its electric vehicles, there are some logistical and practical reasons. First, the infrastructure needed to support electric vehicles is currently not adequate. Given that 85% of renters are tourists, if electric vehicles start to become a larger part of the fleet, it is unclear where tourists would charge their cars. Charging stations would need to be installed everywhere they are not now -- airport facilities (including the new consolidated facilities being planned), hotels, and other tourist destinations. None of these locations have enough charging stations to handle the influx of these vehicles on the road, nor do they have the capacity to install the significant numbers of charging stations in their parking lots that would be needed.

In addition to the above concerns, the current scope of this bill does not take into account the following factors: 1) impacts on costs to local renters, 2) the feasibility of implementing this at current and planned airport facilities, 3) the availability of vehicles by the vehicle manufacturers, and 4) the automatic increases in the number of electric vehicles, without any consideration of whether or not the vehicles would be rented. Without addressing these issues, we believe that this could give rise to significant legal concerns regarding whether or not the bill would constitute a constitutional taking under the 5th Amendment.

For the above reasons, we respectfully oppose this measure and ask that it be held in committee.

Thank you for the opportunity to submit testimony.

**Testimony before the House Committees on Energy & Environmental Protection and
Transportation**

**Friday, March 16, 2018
10:05 am**

**By Brennon Morioka
General Manager, Electrification of Transportation
Hawaiian Electric Company, Inc.**

Senate Bill 2955 S.D. 2 – Relating to Zero-Emission Vehicles

Chairs Lee and Aquino, Vice Chairs Lowen and Quinlan, and Members of the Committees:

Hawaiian Electric Company and its subsidiary utilities, Maui Electric Company and Hawai'i Electric Light Company (collectively, the "Hawaiian Electric Companies"), submit the following comments to this bill.

Senate Bill 2955 S.D. 2 seeks to mandate the incorporation of at least fifty percent zero-emission vehicles into rental motor vehicle lessors' fleet with more than two hundred light duty passenger vehicles by 2030.

The Hawaiian Electric Companies support the proliferation of zero-emission vehicles, such as electric vehicles, and recognize the importance and positive impact the rental vehicle market can play in supporting and fostering this change. In fact, the Hawaiian Electric Companies have undertaken several efforts to support the adoption of electric vehicles, such as the development of a growing DC Fast Charger network, with over 12 locations across the Companies' service territory. That said, the Companies caution that such a mandate may not be successful without the accompanying charging infrastructure necessary to support the rental vehicle market. Supporting charging infrastructure would be particularly important at tourist destinations, including major tourist attractions and hotels and lodging, which may prove difficult or expensive for these hotels to install. If hotels and lodging providers are unable or unwilling to provide charging, then the successful conversion of rental car fleets to that of electric vehicles may prove to be difficult. Thank you for the opportunity to submit comments.



LATE

Gerard C. Gibson
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USA
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Fax: 808.948.7757
Jerry.gibson@hilton.com

DATE: March 15, 2018

TO: Representative Chris Lee
Chair, Committee on Energy and Environmental
Protection

Representative Henry Aquino
Chair, Committee on Transportation
Submitted Via Capitol Website

RE: **S.B. 2955, S.D.2 Relating to Zero-Emission
Vehicles**
Hearing Date: Friday, March 16, 2018 at 10:05 a.m.
Conference Room: 423

Dear Chair Lee, Chair Aquino and Members of the Joint Committees:

My name is Jerry Gibson, VP of Hilton Hawaii and I am submitting testimony today to **strongly opposes** S.B. 2955, S.D.2, which requires rental motor vehicle lessors with more than two hundred light duty passenger vehicles to expedite the incorporation of zero-emission vehicles into the lessor's fleet by 2030. The bill also requires all rental motor vehicle lessors to report a list of the make, model, license plate number, and fuel type of each rental motor vehicle in the lessor's fleet to the Director of the Department of Commerce and Consumer Affairs.

As a hotelier who has spent a significant amount of my career in Waikiki, I have firsthand experience with the hotel's parking situation and guest's preferences and concerns with rental cars.

One of the concerns is, due to their construction, electric vehicles tend to have small trunk space, so the cars are naturally less desirable for families who come to the islands on vacation. This mandate is problematic for the industry and the larger community as there will be implementation issues. Although we cannot know the exact reasons why customers do not rent





electric vehicles, there are some logistical and practical reasons. First, the infrastructure needed to support electric vehicles is currently not adequate. Given that 85% of renters are tourists, if electric vehicles start to become a larger part of the fleet, it is unclear where tourists would charge their cars. Charging stations would need to be installed everywhere they are not now -- airport facilities (including the new consolidated facilities being planned), hotels, and other tourist destinations. None of these locations have enough charging stations to handle the influx of these vehicles on the road, nor do they have the capacity to install the significant numbers of charging stations in their parking lots that would be needed.

In addition to the above concerns, the current scope of this bill does not take into account the following factors: 1) impacts on costs to local renters, 2) the feasibility of implementing this at current and planned airport facilities, 3) the availability of vehicles by the vehicle manufacturers, and 4) the automatic increases in the number of electric vehicles, without any consideration of whether or not the vehicles would be rented. Without addressing these issues, we believe that this could give rise to significant legal concerns regarding whether or not the bill would constitute a constitutional taking under the 5th Amendment.

For the above reasons, we respectfully oppose this measure and ask that it be held in committee. Thank you for the opportunity to submit testimony.

Mahalo,

Gerard C. Gibson





To: The House Committee on Energy & Environmental Protection
From: Sherry Pollack, 350Hawaii.org
Date: Friday, 3/16/18

In strong support of SB 2955 SD2

Dear Chair Lee, Vice Chair Lowen and Committee members,

I am Vice President of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org strongly supports SB 2955 SB2, with three amendments.

The definition of "zero-emission vehicle" should not include plug-in hybrid electric vehicles. The legislature has the opportunity—and the power—to mandate very significant use of *real* zero-emission vehicles with this bill. Don't water it down by allowing sort-of-clean vehicles. Rental car companies will have to buy many new cars to comply with SB 2955; they should buy fully electric or hydrogen ones, not ones that will perpetuate our embarrassingly high percentage of imported fossil fuels.

Secondly, the definition of "Hydrogen fuel cell vehicle" should specify hydrogen made from renewable sources. Hydrogen can produced in many ways, including by burning fossil fuels.

Thirdly, it's disappointing to see this bill's original dates delayed by five years. Climate change is very much upon us. Important measures like this should take effect absolutely as soon as possible. We have kicked the can down the road for far too long and must take immediate responsibility for the damage we've already done.

As of January 2018 there were 6,748 passenger electric vehicles in the state, out of 1,062,518 total registered passenger vehicles, or an anemic 0.64 percent [1]. We should be doing everything we can to increase that percentage.

Zero-emission vehicles (ZEVs) provide many benefits to lessors, renters, and the State.

For lessors:

The price of ZEVs and replacement batteries continue to drop, while the number of available ZEV models continues to increase.

ZEVs have lower maintenance costs because there are usually fewer fluids to change and far fewer moving parts.

For renters:

ZEVs have lower fuel costs, and many charging stations here are free. Even at today's low gas prices, charging an electric vehicle on the typical residential rate may save about 35 percent of fuel costs, compared to a similar-sized gasoline-powered sedan [2].

The charging time of ZEVs continues to drop, while their range and the number of charging stations in the State continues to climb, making hybrids' gasoline backup fuel less and less necessary.

ZEVs get free parking in state and municipal lots and street spaces, plus access to high-occupancy lanes with only a driver on board.

And for the State:

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii [3].

More ZEV rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.

More ZEV rentals would show Hawaii's 8.9 million annual visitors that Hawaii is a leader in clean energy and sustainable transportation. Demonstrating their many benefits to visitors will also spread the word far beyond our state.

Please support SB 2955 SD2, amended, so the largest passenger vehicle fleets in Hawaii will contribute their share in reaching our clean energy goals.

Thank you for the opportunity to testify.

Sherry Pollack
Vice President, 350Hawaii.org

[1] http://files.hawaii.gov/dbedt/economic/data_reports/energy-trends/Energy_Trend.pdf

[2] <https://www.hawaiianelectric.com/clean-energy-hawaii/electric-vehicles>

[3] <https://www.eia.gov/state/analysis.php?sid=HI>



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

before the
Committee on Energy & Environmental Protection
Committee on Transportation
March 16, 2018

Senate Bill 2955, S.D. 2: Relating to Zero-Emission Vehicles

Chair Lee, Chair Aquino, and committee members:

On behalf of the Hawai'i Lodging & Tourism Association, the state's largest private-sector visitor industry organization with nearly 700 members, thank you for the opportunity to testify regarding Senate Bill 2955, S.D. 2, which would require car rental companies to have at least half their fleets consisting of zero-emission vehicles by 2030.

As a state nearly totally dependent on imported fossil fuels for our energy, including our transportation needs, we applaud the Legislature and administration's emphasis on energy sustainability and renewable resources.

While the goals of this legislation are commendable, we oppose its passage. We would also recommend a thorough examination of the impact of such legislation on business and the economy before it is reconsidered. The visitor industry, for one, would be affected by a zero-emission vehicle mandate in that rental car companies would be required to make costly, long-term investments in emission-free vehicles and their maintenance. Hotels and visitor attractions, including public parks and facilities, would need to install charging stations with the commensurate demand for utility connections. These mandates would only add to the cost of a vacation for visitors to the Hawaiian Islands.

The visitor industry, and businesses in Hawai'i in general, are coping with significant increases in operational costs. In addition to much higher payroll and fringe benefit expenses, property taxes have risen, as have construction and repair costs, utilities, and numerous other expenditures—and this is in addition to the hike in the transient accommodations tax beginning this year and the effort to impose this tax on hotel resort fees this session.

We strongly urge you to examine the economic impact of this legislation before any further deliberations. We appreciate the opportunity to share our thoughts on this matter.

Mahalo.

SB-2955-SD-2

Submitted on: 3/13/2018 6:38:14 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 2:32:15 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Boyne	Individual	Support	No

Comments:

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii. More zero-emission vehicles (ZEV) rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.

SB-2955-SD-2

Submitted on: 3/14/2018 4:15:17 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Support	Yes

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 9:10:35 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Meredith Buck	Individual	Support	No

Comments:

I strongly support bill SB2955 SD2.

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii. More zero-emission vehicles (ZEV) rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.

SB-2955-SD-2

Submitted on: 3/14/2018 9:17:40 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jordan Moniuszko	Individual	Support	No

Comments:

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii. More zero-emission vehicles (ZEV) rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.

SB-2955-SD-2

Submitted on: 3/14/2018 10:00:50 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Fujita	Individual	Support	No

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 10:45:58 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Support	No

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 11:19:09 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Josephine	Individual	Support	No

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 11:32:34 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Craig	Individual	Support	No

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 2:23:40 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Samuel John	Individual	Support	No

Comments:

I strongly support this bill to put the impetus on large fleets of rental car companies to adjust their practices to be clean and renewable. In fact I believe this bill does not go far enough in that a more stringent target date should be in place, for instance, 2020 or 2022 as the benchmark, NOT 2030. The state, by placing and enforcing these goals on these companies, can prove itself as a champion and leader of renewable and sustainable practices and continue to be a prime example for others to follow suit. Aloha.

SB-2955-SD-2

Submitted on: 3/14/2018 3:03:54 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Severine Busquet	Individual	Support	No

Comments:

Hi:

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii. More zero-emission vehicles (ZEV) rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents. For all these reasons, I support SB 2955 SD2.

Thanks for your attention

Severine

Hawaii Kai

SB-2955-SD-2

Submitted on: 3/14/2018 4:35:16 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Erica Scott	Individual	Support	No

Comments:

SB-2955-SD-2

Submitted on: 3/14/2018 7:54:01 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joan Gannon	Individual	Support	No

Comments:

To: EEP and TRN Committees meeting on 3/16/18 at 10:05 in room 423.

Re: SB 2955 please pass this bill. This bill should reduce Hawaii's greenhouse gas emissions quite significantly. Thank you for your consideration.

Joan Gannon Democrat, resident Hawaii Island and snorkeler

SB-2955-SD-2

Submitted on: 3/15/2018 10:15:52 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Toole	Individual	Support	No

Comments:

My name is Sarah Toole, my address is 1128 Ala Napunani St. 96818, and I am a political science student at UH Manoa.

I support this bill. Hawaii should be a leader in showing that a green economy is the best economy.

SB-2955-SD-2

Submitted on: 3/15/2018 1:36:51 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Taurie Kinoshita	Individual	Support	No

Comments:

Not only do rentals represent the largest passenger vehicle fleets in Hawaii, they are probably driven much farther than the average local car on an average day as tourists explore our islands. This bill should reduce Hawaii's greenhouse gas emissions quite significantly, and more so if hybrids are disqualified from meeting the targets. The transportation sector uses almost two-thirds of all petroleum consumed in Hawaii. More zero-emission vehicles (ZEV) rentals would increase the number of used ZEVs, making them more affordable to more Hawaii residents.

LATE

SB-2955-SD-2

Submitted on: 3/15/2018 4:35:54 PM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Laura Gray	Individual	Support	No

Comments:

We need to ramp up to make our islands clean/green. I have been driving an electric vehicle since 2006 and an all electric car since 2015. I charge it from power from my roof pannels. I really can not figure out why everyone would not want to do this. We need to stop CLIMATE CHANGE AND POLLUTION.

SB-2955-SD-2

Submitted on: 3/16/2018 9:27:46 AM

Testimony for EEP on 3/16/2018 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Garris	Individual	Support	No

Comments: