



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, February 12, 2019
2:00 PM

State Capitol, Conference Room #329

In consideration of
HB 1585 HD1
RELATING TO THE ENVIRONMENT.

Chair Takumi, Vice Chair Ichiyama, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) **offers comments** on HB1585 HD1 that establishes an electric vehicle (EV) charging system rebate program within the DBEDT, creates and appropriates moneys out of the EV charging station rebate program special fund, and amends the purposes for which moneys from the Energy Security Special Fund (ESSF) may be used.

Section 3 amends 201-12.8, HRS such that ESSF moneys may no longer be used to support DBEDT's energy division, including funding staff positions within the division. Thirty-three (33) positions would be impacted, with no other source of funding yet identified for retaining these positions.

DBEDT appreciates the over-all concept of this bill as it includes initiatives supportive of our goals and objectives; however, we are concerned about the cost implications generated by this proposal.

Thank you for the opportunity to testify.

**TESTIMONY BEFORE THE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE**

H.B. 1585, HD1

Relating to the Environment

Tuesday, February 12, 2019

2:00 pm, Agenda #7

State Capitol, Conference Room 329

Brennon Morioka

Director, Electrification of Transportation

Hawaiian Electric Company, Inc.

Aloha Chair Takumi, Vice Chair Ichiyama, and Committee Members,

My name is Brennon Morioka and I am testifying on behalf of Hawaiian Electric Company Inc. and its subsidiary utilities Maui Electric Company, Limited and Hawai'i Electric Light Company, Inc. ("the Hawaiian Electric Companies") in support of HB 1585, HD1, Relating to the Environment, which seeks to establish an electric vehicle charging system rebate program within the Department of Business, Economic Development, and Tourism.

This bill has the potential to be a landmark bill for EV charging in the state, by taking an important step towards supporting and incentivizing the development of one of the crucial components of a clean transportation future. Hawaiian Electric Companies have been at the forefront of the transition to clean transportation and continues to make investments and develop programs that will eventually eliminate the need to import fossil fuels for transportation and energy production in the state. As a developer of electric vehicle charging infrastructure, the Hawaiian Electric Companies recognize that the robust availability of vehicle charging infrastructure is essential to reducing barriers to adoption of electric vehicles. Studies have shown that the availability of



public vehicle charging is a key factor when car buyers consider purchasing a new electric vehicle, even if the customer ultimately intends to charge their vehicles solely at their residence.

The Hawaiian Electric Companies appreciate the many challenges individuals and organizations face when trying to convert to electrified transport. In particular, the upfront cost to purchase and install charging equipment can be daunting, and HB 1585, HD1 promises to reduce or eliminate these concerns for many future electric vehicle drivers and facility owners. Providing increased access to EV charging in public, at workplaces, commercial locations, and multi-family buildings are all key priorities identified in the Companies' *Electrification of Transportation Strategic Roadmap*. This bill will continue the tremendous progress that the state has made towards a cleaner and more sustainable transportation future.

Accordingly, the Hawaiian Electric Companies support HB 1585, HD1. Thank you for this opportunity to testify.

HB-1585-HD-1

Submitted on: 2/11/2019 1:35:43 PM

Testimony for CPC on 2/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

HB-1585-HD-1

Submitted on: 2/10/2019 9:33:59 PM

Testimony for CPC on 2/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Aloha,

Please support HB1585 HD 1. We need a law to reward people who install a new electric vehicle charging system or upgrade an existing electric vehicle charging system.

Mahalo,

Caroline Kunitake

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY RODERICK K. BECKER
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
ON
HOUSE BILL NO. 1585, H.D. 1

**February 12, 2019
2:00 p.m.
Room 329**

RELATING TO THE ENVIRONMENT

House Bill (H.B.) No. 1585, H.D. 1: establishes an Electric Vehicle Charging System Rebate Program (EVCSR) within the Department of Business, Economic Development and Tourism that provides rebates to persons who install a new electric vehicle charging system or upgrade an existing electric vehicle charging system; caps the total value of rebates issued each year at \$1,000,000; and creates the EVCSR Special Fund (Fund) and appropriates an unspecified amount out of the Fund for FY 20 and FY 21.

The department generally does not support, as a matter of general policy, the creation of a special fund that does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the

program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to H.B. No. 1585, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 11, 2019

TO: Representative Roy Takumi
Chair, Committee on Consumer Protection & Commerce

Submitted Via Capitol Website

FROM: Tiffany Yajima

RE: **H.B. 1585, H.D. 1 – Relating to the Environment**
Hearing Date: Tuesday, February 12, 2019 at 2:00 p.m.]
Conference Room: 329

Dear Chair Takumi and Members of the Committee on Consumer Protection & Commerce:

We submit this testimony on behalf of the Alliance of Automobile Manufacturers (“Alliance”).

The Alliance is a trade association of twelve car and light truck manufacturers including BMW Group, Fiat Chrysler Automobiles, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of North America, and Volvo Car USA.

The Alliance supports H.B. 1585, H.D.1, which would establish a rebate program that incentivizes the installation or upgrade of electric vehicle charging systems in the state. Hawaii has one of the highest rates of adoption of passenger electric vehicles in the nation and currently there are roughly 8,330 passenger electric vehicles registered in the state. Although the number of electric vehicle registrations continues to increase, passenger electric vehicles still account for less than 1% of all registered vehicles on the road in Hawaii.

A larger network of electric vehicle charging infrastructure is essential to greater adoption of electric vehicles. Publically available electric vehicle charging infrastructure is a top consideration for consumers interested in driving an electric vehicle. Incentives that facilitate the build out of electric vehicle charging stations will help to make these vehicles a more viable option for consumers and would encourage consumer uptake of passenger electric vehicles in Hawaii.

Thank you for the opportunity to submit testimony on this measure.



**TESTIMONY TO THE HOUSE COMMITTEE
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
State Capitol, Conference Room 329
415 South Beretania Street
2:00 PM**

February 12, 2019

RE: HOUSE BILL NO. 1585 HD 1, RELATED TO THE ENVIRONMENT

Chair Takumi, Vice Chair Ichiyama, and members of the committee:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii **supports the intent** of H.B. 1585 HD 1, which would require the Department of Business, Economic Development, and Tourism to provide rebates to people who install a new electric vehicle charging system, or upgrade an existing electric vehicle charging system. The bill also creates, and appropriates moneys out of, the electric vehicle charging station rebate program special fund.

The purpose of the bill is to create an incentive to build out a more robust electric vehicle infrastructure, which would make electric vehicles a more viable option for more consumers, especially those who may not have a rooftop solar system that allows them to charge their electric vehicles at home at a lower cost.

We would suggest that "persons" be defined in the bill as: "any homeowner or residential home builder". This would allow for greater acceptance of electric vehicle charging stations in new residential developments.

We appreciate the opportunity to provide comments on H.B. 1585 HD 1.



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 12, 2019**

Re: HB 1585 HD 1 Relating to the Environment

Good afternoon Chairperson Takumi and members of the House Committee on Consumer Protection and Commerce. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization committed to supporting the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

We are in SUPPORT of HB 1585 HD1 Relating to the Environment. This measure establishes an electric vehicle charging system rebate program.

We strongly believe that this bill is a step in the right direction instead of Government mandates that force all business' like retailers to install costly EV charging stations that in turn not only drives up the cost of doing business but also the cost of living in Hawaii. Businesses respond to the wants of the majority of customers that patronize their establishments all the while operating on a very thin profit margin. This would include installing EV charging stations.

Electric Vehicles charging stations come at a cost to businesses for the installation and maintenance and in some cases electricity. Each existing building and facility varies on where stations can be installed and it is often determined by the accessibility to electricity as many existing infrastructures' are not wired to be plug in ready like parking lots and structures and buildings. One of the major cost factors is having to dig up the asphalt to pull in the electricity from across the mall or to tear into the structure to install the electrical infrastructure. We must also mention that the charging stations themselves are very expensive. This can be very costly and a rebate would help to offset some of the costs and even be an incentive for businesses to install more charging stations.

In addition, this may also be an incentive for people to begin new business ventures that creates fast charging station locations – like a current “gas” station - and incentivize more residential buildings to install the stations so that people are able to charge their vehicles at home.

Mahalo for this opportunity to testify.



TESLA'S TESTIMONY REGARDING HB 1585, HD1

**being heard by the House Committee on Consumer Protection and Commerce
on Tuesday, February 12, 2019 at 2p.m.**

Aloha Chair Takumi and Members of the Committee:

Thank you for the opportunity to provide testimony regarding HB 1585, HD1 which would establish a rebate program to support the deployment of electric vehicle (EV) charging infrastructure by establishing a tax on imported petroleum. For reasons further detailed below, Tesla strongly supports efforts to expand EV charging infrastructure, recognizing the fundamental role it plays in driving EV adoption, including rebate programs like those proposed by the bill. Tesla does not have any specific comments on the funding mechanism for the proposed rebate program beyond stating that we do support efforts to appropriately reflect the cost of greenhouse gas emissions in the price of goods and services. A tax on petroleum imports to support efforts, like vehicle electrification, to mitigate climate change, is consistent with that idea.

Tesla's mission is to accelerate the world's transition to sustainable energy. The electrification of the transportation sector is a critical part of this to the degree it represents among the most significant sources of greenhouse gas emissions through the combustion of fossil fuels. Nationally, the transportation sector accounts for almost 30% of GHG emissions.¹ By supporting efforts to transition to EVs, Hawaii can leverage its 100% renewable energy goals to greatly advance efforts to address climate change, reduce pollution and improve air quality, and enhance the state's economic and energy security.

Access to charging represents one of the more fundamental challenges impairing demand for electric vehicles. Without easy and convenient access to EV charging, drivers will be less inclined to choose an EV over a conventional vehicle. EV charging currently suffers from the "last mile" problem, or more realistically, the "last fifty feet" problem. Specifically, while the electrical grid is fairly ubiquitous, in order to support EV charging it needs to be expanded to bring the power to where EVs are actually parked. This typically requires incremental investments in infrastructure on the customer side of the meter including electrical panel capacity, conduit and wiring, in addition to, in the case of Level 2 and Level 3 charging, the charging station itself. While for new construction, where EV charging infrastructure can be incorporated into the initial plans, the costs of deploying Level 2 EV charging infrastructure are quite modest, in the case of retrofits to existing buildings, these costs can be non-trivial.² State or utility support can be especially helpful in these instances.

¹ US Environmental Protection Agency; see <https://www.epa.gov/greenvehicles/fast-facts-transportation-greenhouse-gas-emissions>

² See "Plug-in Electric Vehicle Infrastructure Cost Effectiveness Report"; Energy Solutions and Pacific Gas and Electric, November 2016. Available for download at <http://evchargingpros.com/wp-content/uploads/2017/04/City-of-SF-PEV-Infrastructure-Cost-Effectiveness-Report-2016.pdf>



It is worth noting that such support can offer meaningful benefits beyond the direct recipients of the funding and associated charging services. As HECO has detailed in its Electrification of Transportation Strategic Roadmap, by increasing the utilization of its fixed infrastructure, EV adoption can actually help reduce energy costs to all ratepayers.³ This is in addition to the broad, public policy benefits that EV adoption provides in terms of reduced greenhouse gas emissions, improved air quality, etc.

Regarding the bill's proposed incentive structure, Tesla supports the percentage-of-cost framework, capped by a dollar per project amount. This is consistent with the approach we've seen in other jurisdictions and ensures that project developers have some "skin in the game".⁴ It also ensures that incentives provided are commensurate with project costs while ensuring equitable access to funds.

Tesla does seek clarification regarding the eligible costs the incentives proposed in the bill would address. The measure defines "electric vehicle charging system" in a manner that could be interpreted as limiting eligible costs to only the charging station itself. However, in Tesla's experience, the more substantive cost tends to be in the "make-ready" infrastructure, essentially all of the componentry needed to bring sufficient electrical service to the charging station itself. Tesla requests that these elements be part of the cost-basis for determining the level of incentives a given project is eligible to receive.

Recognizing that any program will have a limited budget, Tesla also encourages the program to focus on deployments in multi-unit dwellings (MUDs), workplaces, and other public charging locations utilizing primarily Level 2 charging infrastructure. Regarding the type of charging infrastructure to focus on, given the significant cost differential between Level 2 and Level 3 charging, Level 2 charging tends to be a more cost-effective investment and will go further in supporting EV adoption. And while deploying charging infrastructure in single-family housing is not without costs, it does not face the same challenges as deployments in MUDs, workplaces and other public charging locations. Deployments in these contexts face a number of hurdles, include principal-agent issues (where the benefits of the investment accrue to someone other than the entity that has to make the decision to invest) as well as more practical challenges around the degree of work that is typically required to deploy the infrastructure. To that end, Tesla recommends amending the bill such that eligibility is limited to deployments at workplaces, residential MUDs and other public locations, or, in the alternative, target at least 75% of the funds for the deployment of charging infrastructure at these locations. To be clear, Tesla supports the bill as drafted, but believes focusing eligibility in this manner will enhance the overall efficacy of the proposed program in driving deployments of EV infrastructure that would not otherwise occur.

Tesla appreciates the opportunity to submit this testimony in support of HB 1585, HD1 and encourages the Committee to pass this important measure with the amendments discussed above.

³ Electrification of Transportation Strategic Roadmap, pp. 35-36; Available for download at <https://www.hawaiianelectric.com/clean-energy-hawaii/electrification-of-transportation>.

⁴ See, for example NV Energy's program. Details available at <https://www.nvenergy.com/cleanenergy/electric-vehicles>.



Email: communications@ulupono.com

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, February 12, 2019 — 2:00 p.m. — Room 329

Ulupono Initiative Strongly Supports HB 1585 HD 1 with Amendments, Relating to the Environment

Dear Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

My name is Murray Clay and I am the Managing Partner of Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally produced food; increase affordable clean renewable energy; and better manage waste and fresh water resources.

Ulupono strongly supports HB 1585 HD 1 with Amendments, which establishes an electric vehicle charging system rebate program, because it will increase the use of more efficient, cleaner forms of transportation and help to reduce Hawai'i's dependence on imported fossil fuels.

Electric vehicles (EVs) are an important avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. While Hawai'i's electric power sector continues to make progress toward its 100 percent renewable portfolio standard (RPS) mandate, our transportation sector has received little attention.

EVs currently offer an effective option to progress clean renewable ground transportation and immediate benefits to Hawai'i:

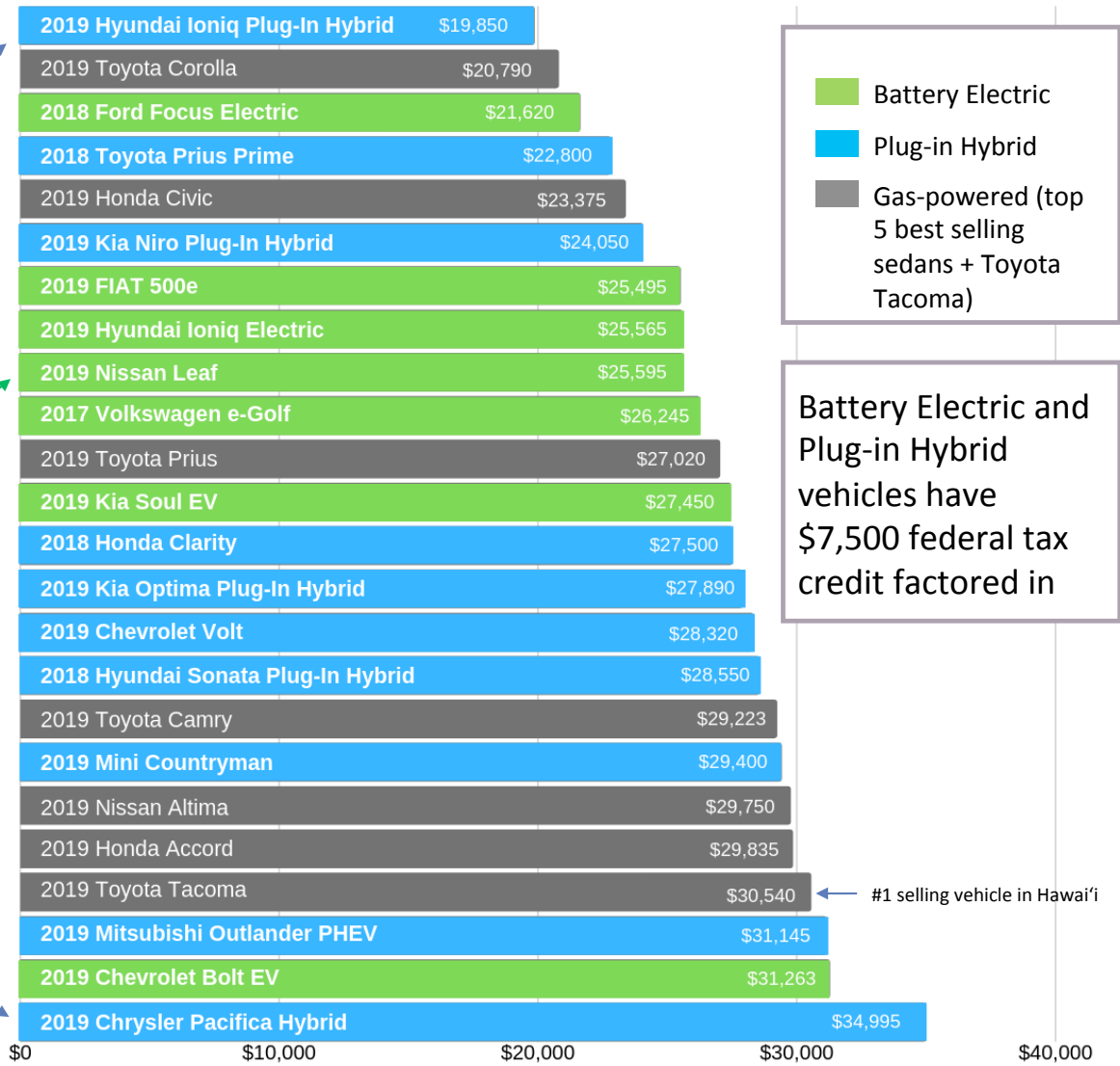
- EVs can alleviate Hawai'i's high cost of living
- EVs provide immediate impact to reduce our dependence on fossil fuels and decrease greenhouse gas (GHG) emissions
- EVs are prime for market acceleration
- Hawai'i should be doing more to promote EVs and EV infrastructure

EVs Can Alleviate Hawai'i's High Cost of Living

EVs are an increasingly affordable option for all. For example, the 2019 Nissan Leaf's starting MSRP is \$29,990. After the Federal tax credit is considered, the purchase price is \$22,490, which is less than the average 2019 Toyota Camry and 2019 Honda Civic (the two best-selling sedans in the country). The graphic below compares the purchase price of non-luxury EVs with top-selling sedans and the Toyota Tacoma (the top selling vehicle in Hawai'i).

Investing in a Sustainable Hawai'i

Many Affordable Options in Non-Luxury Vehicle Models



■ Battery Electric
■ Plug-in Hybrid
■ Gas-powered (top 5 best selling sedans + Toyota Tacoma)

Battery Electric and Plug-in Hybrid vehicles have \$7,500 federal tax credit factored in

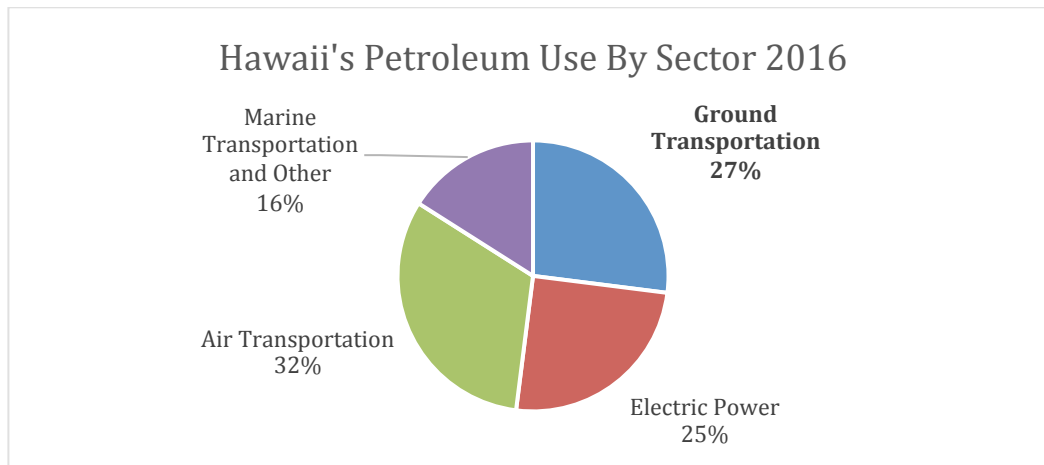
← #1 selling vehicle in Hawai'i

Nationwide Data from Edmunds - January 2019

EVs are also cheaper to operate and maintain because they have fewer moving parts and are more fuel-efficient. According to a recent study by the Union of Concerned Scientists, Honolulu drivers could save more than \$500 per year by switching to an EV.

EVs Provide Immediate Energy and Environmental Impact

Ground transportation alone utilizes more than a quarter of the state’s imported petroleum. Electrifying ground transportation will reduce our demand for imported fossil fuels, keeping millions of dollars in the state and cutting harmful pollution.



Source: Hawaii State Energy Office – Hawaii Energy Facts & Figures

Converting from petroleum-based vehicles to EVs immediately reduces GHG emissions, helping combat climate change and its impacts on our islands. EVs produce zero-emissions at the tailpipe, and even when full lifecycle emissions (from manufacturing through disposal) are considered, EV emissions are approximately 50 percent lower than internal combustion engine (ICE) vehicles.

Furthermore, EVs can support the integration of more renewables on the electric grid with smart charging technology and rate structures. Thus, proliferating EVs throughout Hawai‘i can help accelerate progress towards the State’s 100 percent RPS goal, as well as contribute to the State’s Paris Agreement commitments and carbon neutral goal.

EVs Are Prime For Market Acceleration

From a market perspective, EV adoption in Hawai‘i has shown impressive growth, and the state ranks second in the nation behind California in the number of EVs per capita. As of November 2018, there were over 8,000 passenger EVs registered in Hawai‘i, a 24 percent growth from the previous year. This progress is despite not having strong supporting policies as seen in other states, municipalities and countries.

Based on global and local trends, these adoption numbers are expected to increase exponentially by 2030. Major automobile manufacturers, from Volvo to Volkswagen, have announced plans to offer electric versions of all their vehicle models. Even Ford has announced plans for an all-electric F-150 pickup truck, the #1 selling vehicle in the country. Policies across

the globe are further supporting this transition; in fact, Britain and France have committed to end sales of gas-powered vehicles by 2040.

However, we simply cannot wait. A new report by the United Nation Intergovernmental Panel on Climate Change warns global human-caused emissions of carbon dioxide need to fall 45 percent by 2030, and it will “require rapid, far-reaching and unprecedented changes in all aspects of society.” We must be proactive and act now with strong policy.

Hawai‘i Should Be Doing More

EVs are the future, but they currently only represent less than one percent of all passenger vehicles in the state. Hawai‘i must be proactive to encourage this still nascent market and be prepared with the necessary infrastructure.

Public EV charging stations are a vital component of the EV system. They provide access to charging for drivers who may not be able to charge at home, such as residents who live in multifamily dwellings, and alleviate range anxiety for all EV drivers, a top cited barrier to purchasing EVs. Similar to the benefits that community solar offers to renters and apartment residents, public chargers open up the opportunity and feasibility of owning an EV to more people, increasing equity and access.

Additionally, public charging stations can promote the adoption of EVs in the tourism industry and rental car fleets. According to a survey we commissioned in June 2018, 56 percent of visitors said they probably would have rented an EV if the option were available to them. Of the respondents that indicated they probably would not rent an EV, the top reason for not wanting to rent one was concerns about driving range and finding a charging station. Increasing the number and visibility of public charging stations should encourage rental car companies to add EV options.

Hawai‘i’s EV charging infrastructure has not kept up with current demand and is ill-prepared for future projected EV adoption levels. In October 2015, there were 8 EVs for every public charging station in Hawai‘i, and in June 2018, there were 13 EVs per charger. This worsening ratio implies it is becoming more difficult for EV owners to find public charging stations and signals inadequate infrastructure support for EVs, which impedes EV adoption and our transition away from fossil fuel vehicles.

Based on our experience as investors in multiple charging station companies, it is currently financially challenging for private businesses to own and operate charging stations. Another challenge for private entities is supplying charging stations in underserved areas, which are particularly unprofitable due to underutilization but are needed to provide broad EV coverage. An EV charging station rebate program would reduce the financial burden and promote the proliferation of EV charging stations, helping ensure an encompassing charging network that serves low-income and multi-unit dwellings residents across the island.

More than 25 other states and municipalities, including Delaware, Maryland and Pennsylvania, recognize the importance of EV infrastructure and already offer generous EV charging station incentive programs. To build momentum, UluPono recently partnered with Hawai‘i Energy to



fund and launch a pilot EV charging station rebate program. The limited pilot, which ends in June 2019, aims to promote the installation of Level 2 charging stations at workplaces and multi-unit dwellings and to demonstrate the potential of a larger, statewide incentive program.

If the State of Hawai'i is serious about the sustainability and resiliency of our communities, it should encourage EVs and EV infrastructure.

Recommended Amendments

Ulupono strongly supports the intent and concept of this bill and offers the following amendments for the committees' consideration:

1. Vary the rebate percentage and cap depending on the level of charging

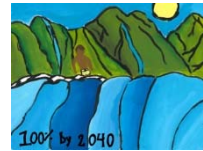
	<u>Level 2 – Single</u>	<u>Level 2 – 2+</u>	<u>Level 3</u>
	<u>Port</u>	<u>Ports</u>	
New Charger: Percent of Cost	30%	50%	70%
New Charger: Rebate Cap	\$2,000	\$6,000	\$35,000
Upgrade Charger: Percent of Cost		50%	70%
Upgrade Charger: Rebate Cap		\$3,000	\$28,000

- 2. Limit the total rebate funding to \$3 million per year. Given this relatively modest amount of funding, more than 350 new/upgraded stations could be added. This increase would represent 61 percent growth from the current number of charging stations in Hawai'i.
- 3. Potentially assign Hawai'i Energy to administer the rebate program, as it already manages rebate programs that promote energy efficiency for households and businesses, if the Department of Business, Economic Development, and Tourism is not willing or capable of managing the program

As Hawai'i's energy issues become more complex and challenging, we appreciate this committee's efforts to look at policies that support clean ground transportation. Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner



HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

February 12, 2019, 2:00 P.M.

Room 329

(Testimony is 2 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 1585 HD1

Aloha Chair Takumi, Vice Chair Ichiyama, and members of the Committee:

Blue Planet Foundation **strongly supports** HB 1585 HD1, establishing an electric vehicle (EV) charging system rebate program. This policy will help to address the critical gap in our transition to a low-cost, low-carbon future: the lack of charging for EVs, particularly at businesses and multi-unit residential properties.

Electric vehicles are the fastest growing segment of new cars in Hawaii. In 2018, EV registrations grew 25 percent, while registrations of gasoline-powered vehicles grew only 0.8 percent.¹ We expect over 10,000 EVs registered in Hawaii by the end of the year—a number that is expected to grow exponentially as new EV models with longer ranges and lower prices hit the market.

Electric vehicles will play an integral role in Hawaii's clean energy future. While EVs that use the existing electricity grid to charge still use mostly fossil fuel, they use that fuel more effectively than burning fuel directly in a typical gasoline engine. This is why EVs are much less expensive to "fuel" per mile than their gasoline counterparts. Further, by using stored electrical energy, EVs can take advantage of intermittent solar, wind, and other clean energy resources. Most vehicles sit idle over 22 hours of the day, so they can become *de facto* energy storage devices if their batteries are plugged into the grid when they are not in use. With smart grid infrastructure in place, EVs become an essential component to electricity load and clean energy resource balancing—in addition to providing clean mobility solutions for Hawaii residents.

Over one million gasoline-powered vehicles are on Hawaii's roads—and from them comes nearly five million metric tons of climate-changing carbon pollution. What's worse, while Hawaii has made good progress in reducing its carbon emissions from the electricity sector, emissions from ground transportation have been increasing in recent years.

House Bill 1585 helps to overcome a key barrier to EV adoption: the lack of adequate EV charging infrastructure.

¹ DBEDT Monthly Energy Trends, January 2019 (<http://dbedt.hawaii.gov/economic/energy-trends-2/>).

The International Energy Agency has found that “the availability of chargers emerged as one of the key factors for contributing to the market penetration of EVs.” Unlike gasoline car owners, charging behavior for EV owners indicates that more than 80% of EV drivers charge their cars at home or at work.² In addition, a large share of the Hawaii population lives in high density, multi-unit residential buildings. The vast majority of parking facilities currently lack EV chargers.

House Bill 1585 creates a rebate program—funded by the existing fossil fuel tax—to incentivize the installation of EV charging stations. Blue Planet Foundation supports the use of the fossil fuel tax for this purpose. It makes sense to tap the source of our problem—imported fossil fuels—to help fund solutions, such as EV charging infrastructure.

Blue Planet Foundation also supports the amendments made in the HD1 version that better align the use of funds from the energy security special fund with our state’s clean energy and renewable transportation goals. Monies from this fund can be used to deploy new solutions for resiliency, enhanced electric vehicle adoption and infrastructure buildout, and improved energy efficiency in our existing building stock and new construction.

We respectfully request that the Committee forward HB 1585 HD1 amended to take effect upon approval.

Thank you for the opportunity to testify.

² <https://www.iea.org/publications/freepublications/publication/GlobalEVO Outlook2017.pdf>

HB-1585-HD-1

Submitted on: 2/11/2019 4:14:52 PM

Testimony for CPC on 2/12/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB1585

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei