



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  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 20, 2019  
10:05 AM  
State Capitol, Conference Room 211

In consideration of  
**SB 657, SD1**  
**RELATING TO THE ELECTRIC VEHICLES**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) **supports** SB657, SD1, which requires electric vehicles to pay for non-metered parking when parked for any period longer than the initial four hours of use and extends the repeal date of Act 168, Regular Session of 2012, from June 30, 2020, to June 30, 2030.

DBEDT supports extending the current EV incentive beyond the anticipated sunset date of June 30, 2020, to June 30, 2030.

DBEDT defers to State agencies with parking facilities for the impact of the current incentive on revenues and operations.

Thank you for the opportunity to testify.

**SB-657-SD-1**

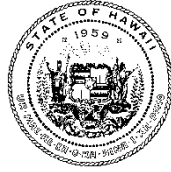
Submitted on: 2/19/2019 9:47:27 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

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

Comments:

DAVID Y. IGE  
GOVERNOR



CURT T. OTAGURO  
Comptroller  
AUDREY HIDANO  
Deputy Comptroller

**STATE OF HAWAII**  
**DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES**  
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY  
OF  
CURT T. OTAGURO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEE ON WAYS AND MEANS  
ON  
FEBRUARY 20, 2019, 10:05 A.M.  
CONFERENCE ROOM 211, STATE CAPITOL

S.B. 657, S.D. 1  
RELATING TO ELECTRIC VEHICLES

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, thank you for the opportunity to submit testimony on S.B. 657, S.D. 1.

The Department of Accounting and General Services (DAGS) supports the intent of the measure to amend Act 168, Session Laws of Hawaii 2012, section 2, subsection (b), to require electric vehicles to pay for non-metered parking when parked for any period longer than the initial four hours of use, and we offer the following comment:

DAGS finds that electric vehicle users may avoid the intent of such restrictions and thereby limit the benefit for other electric vehicle users by relocating their vehicle to other parking stalls in the same parking lot at the end of such exempted parking period and restarting the parking time period in that new stall. This practice is not limited by the current or proposed language. DAGS recommends the following be added to the proposed language:

“1. By amending section 2, subsection (b) to read:

(b) An electric vehicle on which an electric vehicle license plate is affixed shall be exempt from payment of parking fees, including those collected through parking meters, charged state or county authority in this State, except that this exemption shall not apply:

- (1) For any period longer than the initial two hours of metered parking. This 2.0-hour daily restriction applies regardless whether electric car is parked in single metered stall or in successive metered stalls.
- (2) To parking fees assessed in increments longer than one twenty-four-hour day, including weekly, monthly, or annual parking permits; or
- (3) For non-metered parking stalls, for any period longer than the initial four hours of use of any stall or in successive parking stalls.

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



**SanHi**

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 19, 2019

TO: Senator Donovan Dela Cruz  
Chair, Committee on Ways and Means

*Submitted Via Capitol Website*

FROM: Tiffany Yajima

RE: **S.B. 657, S.D.1 – Relating to Electric Vehicles**  
**Hearing Date: Wednesday, February 20, 2019 at 10:05 a.m.**  
**Conference Room: 211**

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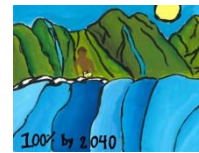
Dear Chair Dela Cruz and Members of the Committee on Ways and Means:

We submit these comments 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 S.B. 657, S.D.1, which would extend current electric vehicle incentives beyond the anticipated sunset date of June 30, 2020 to June 30, 2030. Hawaii has one of the highest rates of adoption of passenger electric vehicles in the nation and currently there are over 8,330 passenger electric vehicles registered in the state. While electric vehicle uptake is increasing, passenger electric vehicles still only make up less than 1% of registered vehicles on the road in the state. The Alliance is supportive of policies such as HOV access and parking benefits because they would encourage greater adoption of passenger electric vehicles in Hawaii.

Thank you for the opportunity to submit comments in support of this measure.



## SENATE COMMITTEE ON WAYS AND MEANS

February 20, 2019, 10:05 A.M.

Room 211

(Testimony is 2 pages long)

### TESTIMONY OFFERING COMMENTS ON SB 657 SD1, WITH SUGGESTED AMENDMENT

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Blue Planet Foundation **supports the extension of the sunset date for electric vehicle incentives** in Senate Bill 657 SD1, **but opposes the new restrictions** imposed on those incentives in other parts of the bill. **Blue Planet Foundation strongly supports the original draft of SB 657.**

**If the legislature intends to reduce the parking incentives available to EV owners, we respectfully request that other incentives be considered to foster the continued adoption of Hawaii's electrified transportation future.** There are a number of other policies currently before the legislature—such as SB 1000, SB 438, and HB 1585—that could be incorporated into a policy package for accelerating the adoption of electric vehicles and charging infrastructure.

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.<sup>1</sup> 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

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

has made good progress in reducing its carbon emissions from the electricity sector, emissions from ground transportation have been increasing in recent years.

This, in part, inspired **the mayors from all four of Hawaii's counties in December 2017, to pledge to transform ground transportation to 100 percent renewable fuel by 2045**. The purpose of their action was to set a vision for clean, modern mobility options for all. This goal is necessary and achievable. **The state should support these county goals with appropriate incentives to foster the rapid adoption of electric and other renewable fuel vehicles.**

Barriers still remain to widespread EV adoption, including initial vehicle cost, lack of charging infrastructure, and vehicle range. That is why many U.S. states have provided incentives—often in the form of a rebate—to prospective purchasers to help overcome these hurdles.<sup>2</sup>

With the mayors' proclamations in December 2017, Hawaii joined the ranks of several countries who have also recognized that fossil fuel-powered ground transportation needs to end. **Both France and Britain have set a target phasing out the sale of new gas cars by 2040**. India set a similar goal for 2030. Belgium, Sweden, and Norway are developing policies to do the same. Last year, China announced plans to electrify its entire vehicle fleet.

These countries recognize the environmental imperative for setting long-term transportation policies. Here, policy is key, as the market fails to account for the environmental and social cost of carbon pollution from vehicles today.

**Blue Planet Foundation strongly supports the original draft of SB 657**, which is an opportunity to reinforce Hawaii's support for EV adoption.

Thank you for the opportunity to testify.

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<sup>2</sup> See Chargepoint, *Incentives that Kick Gas*, <https://www.chargepoint.com/drivers/incentives/> (summarizing EV financial incentives by state); see also Chargepoint, *Take Credit for Going Green*, <https://www.chargepoint.com/products/home-station-incentives/> (summarizing state incentives for charging equipment).

**SB-657-SD-1**

Submitted on: 2/19/2019 9:11:36 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Noel Morin	Testifying for Big Island EV Association	Support	No

Comments:

Aloha,

Please support SB657. Parking incentives are among the benefits that we use to encourage our residents to buy electric cars. The adoption of sustainable transportation in our state is still very low and we must do more to get more people to shift from gas vehicles (and fossil fuel dependency). This is one small but meaningful step that we can do to help sell the benefits and value of electric cars.

Thank you for your consideration.

Noel Morin

President - Big Island Electric Vehicle Association



**TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS**

S.B. 657, SD1

**Relating to Electric Vehicles**

Wednesday, February 20, 2019  
10:05 AM, Agenda Item # 48  
State Capitol, Conference Room 211

Brennon Morioka  
Director, Electrification of Transportation  
Hawaiian Electric Company, Inc.

Aloha Chair Dela Cruz, Vice Chair Keith Agaran 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 Hawaii Electric Light Company, Inc. (“the Hawaiian Electric Companies”) in support of S.B. 657, SD1, Relating to Electric Vehicles. S.B. 657, SD1 takes an important step in supporting our state’s transition away from imported fossil fuels by extending the sunset date from 2020 to 2030 for certain electric vehicle (“EV”) incentives authorized under Act 168 (2012) and also changing EV parking requirements.

The Hawaiian Electric Companies are committed to supporting the state’s transition towards clean transportation and considers the existing benefits for clean fuel vehicles as an important incentive towards incentivizing adoption. Reducing barriers to adoption and facilitating the electrification of transportation is one of the Company’s top priorities established in our *Electrification of Transportation Strategic Roadmap*.



The Companies are committed to an EV strategy that acknowledges the need for more sustainable transportation options. 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 S.B. 657, SD1. Thank you for this opportunity to testify.



**TESLA'S TESTIMONY IN SUPPORT OF SB 657, SD1**

**being heard by the Senate Committee on Ways and Means  
on Wednesday, February 20, 2019 at 10:15 AM  
Room 211**

Aloha Chairs Dela Cruz and Members of the Committees:

Thank you for the opportunity to provide testimony regarding SB 657, SD1, which would extend the sunset date for various benefits provided to electric vehicles (EVs) pursuant to Act 168 to June 30, 2030.

Tesla's mission is to accelerate the world's transition to sustainable energy. The electrification of transportation is critical to this effort, recognizing the significant role of the transportation sector in our society's dependence on fossil fuels and the attendant challenges that dependency entails, including climate change, local air quality and public health impacts, as well as energy and economic security concerns. By adopting and extending progressive policies, like those embodied by Act 168, Hawaii can effectively encourage the adoption of EVs and help facilitate the state movement away from fossil fuels.

Studies have shown that policies like providing electric vehicles access to HOV lanes can be a significant driver of demand for electric vehicles. One such study, in California, found that HOV lane access was the primary reason for purchasing an EV or plug-in hybrids for between 38% and 57% of the drivers surveyed.<sup>1</sup> We believe that parking benefits, like those provided for in Hawaii can also represent a meaningful incentive that can serve as an additional inducement for households and businesses to consider an EV over a conventional gas or diesel burning alternative.

As we start to see the Federal Electric Vehicle Tax Incentive step down and eventually go away, state policies have an ever more important role to play in driving EV adoption. For these reasons, Tesla strongly supports SB 657, SD1 which would extend the benefits provided to EVs by an additional ten years. Hawaii's commitment to renewable energy remains among the most ambitious in the country and the Mayoral proclamation to eliminate the use of fossil fuels from ground transportation is truly-pace setting. Achieving these ambitious goals will not be easy, but supportive policies like those this bill would extend are important enablers and should be adopted.

Thank you for the opportunity to submit this testimony.

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<sup>1</sup> "Evaluating the Impact of High Occupancy Vehicle (HOV) Lane Access on Plug-in Vehicles (PEVs) in California"; Gil Tal, Ph.D. Michael A. Nicholas Ph.D.; Institute of Transportation Studies, UC Davis Plug-In Hybrid and Electric Vehicle Research Center. Available for download at [https://policyinstitute.ucdavis.edu/files/Tal\\_June2014\\_Final.pdf](https://policyinstitute.ucdavis.edu/files/Tal_June2014_Final.pdf)



**SB-657-SD-1**

Submitted on: 2/19/2019 10:00:45 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Michelle Matson	Individual	Support	No

Comments:

I strongly support this bill to help promote clean energy and ensure cleaner air with extension of these benefits to encourage Hawai'i's drivers to purchase EVs.

**SB-657-SD-1**

Submitted on: 2/19/2019 9:37:40 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
G Tom	Individual	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Agaran, and Committee Members:

I submit my testimony in **STRONG SUPPORT** of SB657 SD1. As you know, Hawaii has pledged to 100 percent renewable energy by 2045. Extending the existing electric vehicle (EV) incentives sunset date from 2020 to 2030 only makes sense in that context. EV adoption is still not mainstream and these incentives are needed to encourage consumers to consider electric vehicles over gasoline. As long as gasoline vehicles are a part of consumer buying habits, our goal of 100 percent renewable energy is impossible.

Thank you for your support.

**SB-657-SD-1**

Submitted on: 2/18/2019 8:33:08 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ronald FitzGerald	Individual	Support	No

Comments:

Please support this Bill to support people who want to move to change to electric cars and trucks.

**SB-657-SD-1**

Submitted on: 2/18/2019 9:27:13 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Peter Forman	Individual	Support	No

Comments:

Dear Ways and Means Committee members,  
I support SB657 because inducements to increase the attractiveness of owning EVs will ultimately lead to quicker and more widespread adoption of clean, sustainable transportation here in Hawaii. Parking benefits for EVs do indeed influence vehicle buyers.

Peter Forman  
Kailua, Hawaii



**SB-657-SD-1**

Submitted on: 2/18/2019 10:04:44 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robin Uyeshiro	Individual	Support	No

Comments:

The EV parking benefits currently in place are one of the most attractive benefits of owning an EV in Hawaii. If the state is serious about the emissions deadlines it has set, then reducing benefits at this time is a mistake. Unless a serious revenue problem results from this benefit, please vote to retain it.

**SB-657-SD-1**

Submitted on: 2/18/2019 10:26:37 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cheryl Nakamura	Individual	Support	No

Comments:

Please pass this bill as it is a benefit that I find that I use and appreciate. It is definitely a benefit that helped to push my decision to purchase an EV vehicle. Thank you.

**SB-657-SD-1**

Submitted on: 2/18/2019 10:31:03 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nanette Vinton	Individual	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

I am writing in support of SB657-SD1 to extend EV Owner benefits including HOV lane access and parking benefits to 2030. I have been an electric vehicle owner since 2013 and these benefits played a key role in my decision to purchase an EV over a gas one.

I am proud to be a part of the EV growth over the past few years but EVs still account for only a nominal amount of cars in Hawaii. In order to meet the Clean Transportation goals the State has and provide for a better, cleaner, more sustainable future for our youth, we need to continue to offer these incentives to further promote EV growth.

Thank you for your consideration.

Sincerely,

Nanette Vinton

**SB-657-SD-1**

Submitted on: 2/19/2019 9:26:57 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephanie Hall Morin	Individual	Support	No

Comments:

Aloha,

It is certainly an incentive for potential EV drivers to learn of perks of owning an EV. Additionally it rewards the drivers of EVs for early adoption. It reminds the public that the state of Hawaii is committed to it's goal of sustainable transportation. Mahalo.

**SB-657-SD-1**

Submitted on: 2/18/2019 11:19:19 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Michaels	Individual	Support	No

Comments:

Please continue to encourage transition to non-emission electric vehicles.

**SB-657-SD-1**

Submitted on: 2/19/2019 3:45:04 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Fernando L Alvarado	Individual	Support	No

Comments:

Parking benefits for EVs are one of the most cost-effective ways of promoting EVs in Hawaii. In addition to their direct impact on owners, it creates a topic of discussion that makes non-owners of EVs take a serious look at EVs. To be fair to all, the benefit should be extended exclusively to 100% EVs, not to plug-in hybrids. Mahalo.

**SB-657-SD-1**

Submitted on: 2/19/2019 6:30:41 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Clayton	Individual	Oppose	No

Comments:

Maybe there's something here I'm not getting: how does one pay for NON-metered parking? At least that's what this bill seems to be proposing for electric vehicles after having been parked in a non-metered space greater than 4 hours.

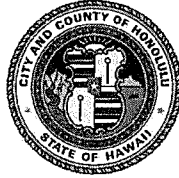
As far as that goes, EV ownership needs to be incentivized, and expense-free parking is one temporary way to help that cause. If something is working and not broke, then please don't try to fix it.

DEPARTMENT OF TRANSPORTATION SERVICES  
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR  
HONOLULU, HAWAII 96813  
Phone: (808) 768-8305 • Fax: (808) 768-4730 • web: www.honolulu.gov

**LATE**

KIRK CALDWELL  
MAYOR



WES FRYSZTACKI  
DIRECTOR

JON Y. NOUCHI  
DEPUTY DIRECTOR

February 20, 2019

The Honorable Donovan Dela Cruz  
and Members of the Senate  
Committee on Ways and Means  
State Capitol, Room 211  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Members of the Committee:

**SUBJECT: Testimony on Senate Bill 657 - Relating to Electric Vehicles**

The Department of Transportation Services supports the intent of this measure, and our office has a long-standing record of strong support for increased use of electric vehicles.

Since Act 168 (2012) was enacted, our department has allowed electric vehicles to park in our facilities free of charge and has installed free charging stations in parking facilities. During the same period of time, we also observed a seven-fold increase in the number of registered electric vehicles. This increased use of electric vehicles coupled with the exemption from payment of parking fees provided by Act 168 (2012) have strained the operating budget of the parking facilities that we own and control as these facilities are subsidized. There must be a balance between the incentives to encourage electric vehicle use and decreasing parking revenues.

While we support the intent of this bill, we have strong concerns with the parking fee exemption and the effect on decreasing revenues in the City public parking facilities.

Thank you for the opportunity to submit this testimony.

Very truly yours,

A handwritten signature in black ink, appearing to read "Wes Frysztacki", is written over a faint, larger version of the same signature.

Wes Frysztacki  
Director





**LATE**

Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEE ON WAYS & MEANS  
Wednesday, February 20, 2019 — 10:05 a.m. — Room 211

## **Ulupono Initiative Supports SB 657 SD 1 with Comments, Relating to Electric Vehicles**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

My name is Murray Clay and I am Managing Partner of the 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 believes that self-sufficiency is essential to our future prosperity and will help shape a future where economic progress and mission-focused impact can work hand in hand.

**Ulupono supports SB 657 SD 1 with comments**, which:

- 1) Extends current electric vehicle benefits to 2030 (parking and high occupancy lane access) - **Support**
- 2) Reduces existing non-metered parking benefits for electric vehicles – **Support with Comments**, because this point will discourage the use of more efficient, cleaner forms of ground transportation

### **Recommended Amendments**

#### **Reduces Existing Non-Metered Electric Vehicle Parking Benefits – Support with Comments**

We appreciate the State's perspective and concern about lost parking revenue. It is also important to recognize that EVs are an avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. We suggest that the State support EVs rather than reduce benefits to those who chose a healthier, cleaner option of transportation that benefits the broader community. In reducing benefits for EV drivers, we are discounting the positive attributes EVs offer and accepting the negative impacts that such a policy choice can have, primarily decreasing the transition to cleaner, healthier transportation. **Thus, we strongly recommend limiting the benefit to no more than 24 hours, as originally intended.**

*Investing in a Sustainable Hawai'i*

Reducing the parking benefit to only four hours will influence a major shift in behavior of EV drivers going to the Daniel K. Inouye International Airport and arguably negate the intended parking benefit for many EV drivers. In other words, reducing the benefit to four hours may be the equivalent to eliminating the benefit all together. For example, EV drivers traveling for multiple days will more than likely revert back to being picked up and dropped off, possibly by gasoline, emission-emitting vehicles, due to the high cost of multi-day parking. Even EV drivers making interisland day trips may opt to be dropped off rather than to park at the airport since their vehicles likely would be parked for longer than four hours. However, the degree of this behavior shift may also depend on how the proposal would be implemented (discussed below).

Limiting the benefit to 24 hours, provides benefits to those interisland day travelers and commuters while limiting the parking abuse by those traveling for multiple days. Therefore, we believe maintaining the original intent of the bill is a worthy balance rather than reducing or eliminating the benefit to most EV drivers and patrons of the Honolulu airport parking.

Furthermore, without having additional information, we strongly believe that the true cost of the EV parking benefit for the airport is likely negligible. Recent testimony suggested that the State is losing significant revenue due to EVs, particularly at the Daniel K. Inouye International Airport. As indicated above, reducing the benefit to four hours, and even 24 hours, will shift behaviors for EV drivers who will simply not park at the airport anymore. To be fair, some travelers that drive EVs (a fraction of the current 6,500 EVs on O'ahu) may not change behavior. However, we think it is very reasonable to assume strong behavior change, even with a 24-hour limit. As a result, the true financial impact and cost of the EV parking benefit is arguably minimal.

Finally, we have concerns, particularly at the Honolulu airport, regarding implementation of the current proposal, which excludes benefits for non-metered parking longer than four hours. While implementation does not change the points above, the bill could be far more damaging to EV benefits depending on how it is implemented. More specifically, it is not clear how an EV parked at the Honolulu airport for longer than four hours would be charged:

- a) Is the EV charged the rate for the total hours parked (e.g., parked for twelve hours; charged for twelve hours, which is \$18 at the airport; no benefit is received),
- b) Is the EV charged the rate for the total hours parked less four hours (e.g. parked for twelve hours; charged for 8 hours, which is \$18 at the airport; no benefit is received), or
- c) Is the EV charged the rate for the total hours parked less the rate for four hours (e.g. parked for twelve hours; charged the cost difference between twelve and four hours of parking at the airport, which is \$9; some benefit is received)

\* Note that Honolulu airport parking has a maximum daily rate of \$18 upon surpassing 5 hours of parking

The comments provided should also simplify the implementation and avoid different interpretations that could lead to varying charges and degrees of incentive for EVs owners.

### **Benefits of Electric Vehicles (EVs)**

Overall, EVs are an important avenue to address Hawai'i's pressing climate issues and align with the State's health, 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.

Thus, we strongly support policies that promote the increased adoption of EVs so that the community and state can reap the benefits that these clean transportation solutions provide:

- 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, which improves the health and resilience of our communities
- EV market is still nascent but prime for market acceleration
- Hawai'i should be doing more to promote EVs and EV infrastructure

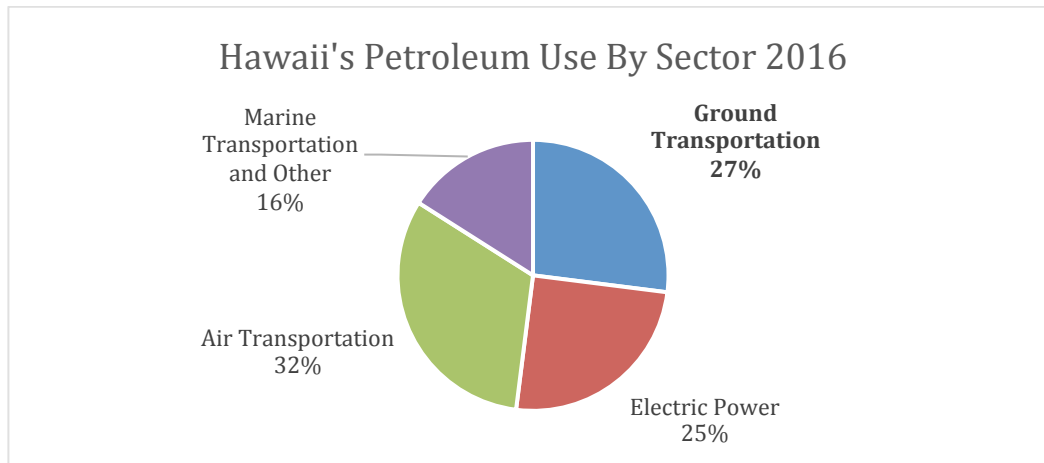
### **EVs Can Alleviate Hawai'i's High Cost of Living**

EVs are an increasingly affordable option for all. For example, the 2019 Nissan Leaf's average MSRP is \$33,095. After the Federal tax credit is considered, the purchase price is \$25,595, which is less than the best selling sedan in the country, the 2019 Toyota Camry. Attachment A to our testimony compares the purchase price of non-luxury EVs with top-selling sedans and the Toyota Tacoma (the top selling vehicle in Hawai'i).

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, as well as improving the community’s health and resilience. 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.

### **EV Market Is Still Nascent But 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 more than 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.

### **In Closing – Collectively, Policy Needs To Support EVs and More Efficient Vehicles**

While EV adoption has shown impressive growth in Hawai‘i, they currently represent less than one percent of all vehicles in the state. It is far too early in the adoption curve to start reducing existing benefits for EVs, and Hawai‘i must encourage this promising market.

In fact, according to the Hawai‘i Natural Energy Institute’s “Factors Affecting EV Adoption” report in 2015, the State of Hawai‘i’s EV benefits are a valuable incentive to EV owners and prospective buyers. 14 states have direct incentives to promote EV adoption - Hawai‘i is the only top 10 ranked state (for EV adoption) that does not offer a direct monetary subsidy to incentivize EV usage. Therefore, any diminishment of these parking benefits could slow our progress towards the clean transportation vision of the State.

Most importantly, limiting the parking benefit sends a message that the State is not serious about climate change and does not believe in the importance of EVs in advancing its sustainability goals. There are several proposed bills in the 2019 legislative session that are EV-related, including a bill seeking to establish an EV registration fee. Combined, these bills would be detrimental to EV sales and supply. In fact, recent research by the University of California Institute of Transportation Studies indicates that such bills could reduce EV sales by up to 20 percent. Additionally, the bills would contradict the State’s energy and environmental goals.

Alternatively, there are a number of proposed bills that show strong support for EV adoption, including a rebate/tax credit for investing in EV charging infrastructure. We implore the members of the committees to consider all of the bills holistically in light of the State’s commitments to clean energy and the environment. By countering bills that will reduce direct incentives and hinder EV adoption with those that offer direct incentives and support EVs, the State can build on the current momentum and signal to the market that we support clean transportation.

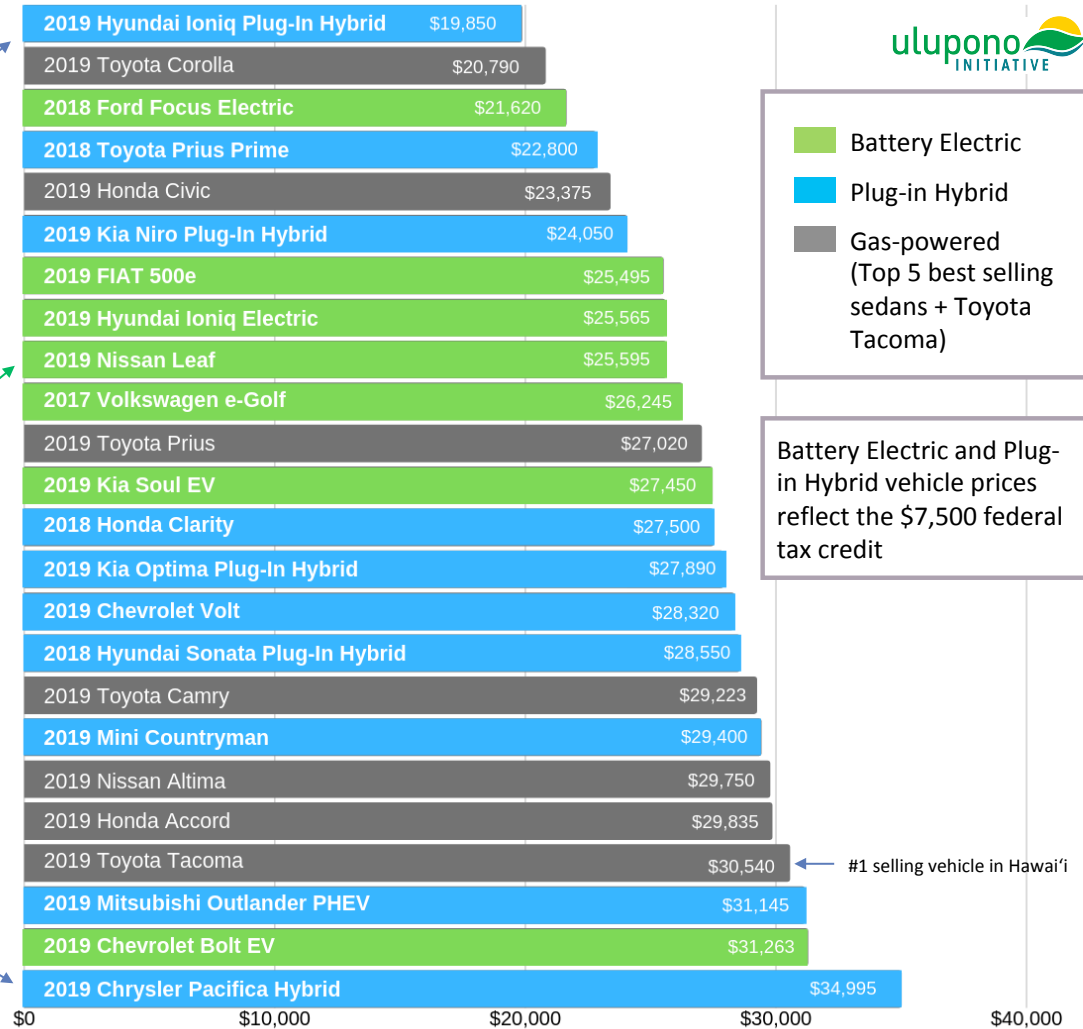
As Hawai‘i’s energy issues become increasingly complex and challenging, we appreciate this committee’s efforts to look at policies that support clean ground transportation.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner

## Many Affordable EV Options Non-Luxury Vehicle Models (attachment A)



Nationwide Average MSRP Data from Edmunds – January 2019