



DAVID Y. IGE
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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 ENERGY & ENVIRONMENTAL PROTECTION

Thursday, March 14, 2019
8:35 AM
State Capitol, Conference Room 325

In consideration of
SB657, SD2
RELATING TO THE ELECTRIC VEHICLES

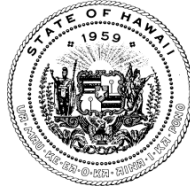
Chair Lowen, Vice Chair Wildberger, and Members of the Committee. The Department of Business, Economic Development, and Tourism (DBEDT) **offers comments** on SB657, SD2, which requires electric vehicles to pay for non-metered parking when parked for any period longer than the initial four hours of use and extends the repeal date of Act 168, Regular Session of 2012, from June 30, 2020, to June 30, 2023.

DBEDT supports extending current EV incentives beyond the statute sunset date of June 30, 2020, and supports a sunset date beyond SD2's June 30, 2023, date. DBEDT prefers to extend the repeal date of Act 168, Session Laws of Hawaii 2012 to align with the originally proposed repeal date of 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.

DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

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

March 14, 2019
8:35 a.m.
State Capitol, Room 325

S.B 657, S.D. 2
RELATING TO ELECTRIC VEHICLES

House Committee on Energy and
Environmental Protection

The Department of Transportation (DOT) **supports the intent** of S.B. 657, S.D. 2 which extends the sunset date of Act 168, Session Laws of Hawaii 2012, by 3 years to expire on June 30, 2023.

The DOT is acceptable to extending the incentives offered on highways; however, we are concerned that the extension of the parking fee exemption for electric vehicles will result in DOT's continued loss of significant revenue over an extended period of time when there is oftentimes a lack of parking spaces in our airport parking structures.

Thank you for the opportunity to provide testimony.

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
HOUSE COMMITTEE
ON
ENERGY AND ENVIRONMENTAL PROTECTION
ON
MARCH 14, 8:35 A.M.
CONFERENCE ROOM 325, STATE CAPITOL

S.B. 657, S.D. 2
RELATING TO ELECTRIC VEHICLES

Chair Lowen, Vice Chair Wildberger, and Members of the Committee, thank you for the opportunity to submit testimony on S.B. 657, S.D. 2.

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.

**TESTIMONY BEFORE THE HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION**

S.B. 657, SD2

Relating to Electric Vehicles

Thursday, March 14, 2019
8:35 AM, Agenda # 3
State Capitol, Conference Room 325

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

Aloha Chair Lowen, Vice Chair Wildberger and Committee Members,

My name is Brennon Morioka and I am testifying on behalf of Hawaiian Electric Company and its subsidiary utilities Maui Electric Company and Hawai'i Electric Light Company (collectively, the "Companies") with comments on S.B. 657, SD2, relating to electric vehicles.

The original version of S.B. 657 sought to extend the sunset date from 2020 to 2030 for certain incentives authorized under Act 168, of 2012. The Hawaiian Electric Companies supported this measure because it took a decisive step towards continuing the state's transition towards clean transportation, however this bill has taken a new and less ideal direction that seeks to compromise various considerations within the same bill.

S.B. 657, SD2 has shortened the extension of the repeal date of Act 168, Session Laws of Hawaii 2012, from the originally proposed repeal date extension of June 30, 2030, to June 30, 2023. While the extension of three years is appreciated, the Hawaiian Electric Companies contend that this extension is too short to foster real impact on the local transportation landscape. At least one report suggests that battery

vehicles will not reach price parity with internal combustion vehicles until 2025.¹

Therefore, the electric vehicle market will continue to require additional incentives to create the tipping point that supports clean transportation policy. Thus, the Companies propose extending the repeal date of Act 168, Session Laws of Hawaii 2012 to at least 2025.

S.B. 657, SD2 also includes a clarification related to parking fee exemptions for non-metered fee parking when parked for any period longer than an initial four hours. While the Companies agree that a clarification of this parking benefit is warranted, it must be made in such a way as to continue to engender an effective benefit to electric vehicle drivers. If the clarification was established to address ongoing parking fee exemptions abuse at airports by airline and airport employees, then an alternative method of identifying said employees should be explored before eliminating one of the few electric vehicle incentives that exist in Hawaii. Furthermore, an exemption of four hours at airport facilities is not an effective duration to provide an airport user with a tangible benefit absent the shortest of neighbor island trips. At a minimum the parking exemption for non-metered airport parking should be 24 hours.

Hawaii has achieved the second highest electric vehicle adoption per capita and has done so with relatively few electric vehicle incentives. The reduction of existing benefits will send the wrong message regarding Hawaii's leadership in clean transportation and the fantastic progress made so far.

The Hawaiian Electric Companies consider the existing benefits for clean fuel vehicles as an important incentive towards incentivizing adoption. Reducing barriers to

¹ <https://www.bloomberg.com/news/articles/2018-03-22/electric-cars-may-be-cheaper-than-gas-guzzlers-in-seven-years>

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. Done correctly, this bill can continue the tremendous progress that the state has made towards a cleaner and more sustainable transportation future.

Accordingly, the Hawaiian Electric Companies submit these comments on S.B. 657, SD2. Thank you for this opportunity to testify.

SB-657-SD-2

Submitted on: 3/13/2019 9:54:48 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Noel Morin	Big Island EV Association	Support	No

Comments:

Aloha,

Please support SB657 SD2. Incentives such as free parking are among the benefits that we use to encourage our residents to drive electric cars. Electric car adoption in our state is less than 1% of transportation so we have a long way to go towards allowing emission-free vehicles to be a significant contributor to our clean energy goals. Given that electric vehicles are still costly than their gas counterparts, any and all incentives that provide an actual or perceived benefit will help offset the cost barrier.

We must do more to get more people to shift from gas vehicles to electric. 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



TESLA'S TESTIMONY IN SUPPORT OF SB 657 SD2

**being heard by the Senate Committee on Energy and Environmental Protection
on Thursday, March 14, 2019 at 8:35 AM
Conference Room 325**

Aloha Chair Lowen, Vice Chair Wildberger, and Members of the Committee:

Thank you for the opportunity to provide testimony regarding SB 657 SD2, which would extend the sunset date for various benefits provided to electric vehicles (EVs) pursuant to Act 168 to June 30, 2023.

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 EVs access to HOV lanes can be a significant driver of demand for these 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.¹ 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 supports SB 657 SD2 which would extend the benefits provided to EVs. However, we were disappointed to see the extension scaled back to only three years from what had been proposed when the bill was introduced. While an extension, even a modest one, is to be lauded, given the need to rapidly scale the electrification of the transportation to achieve Hawaii's ambitious clean energy goals, the bill as it currently stands appears unduly modest. For this reason, Tesla encourages the Committee to increase the extension of Act 168 to at least five years. This more closely corresponds to the amount of time that a typical vehicle owner holds onto a vehicle before selling it and thus would provide a more

¹ "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



compelling benefit, especially in the near term, to encourage customers to purchase an EV over a more conventional internal combustion vehicle.²

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.

² According to data from IHC Markit, the average length of car ownership was 79.3 months. See "Car owners are holding their vehicles for longer, which is both good and bad", Trent Gillies,CNBC, May 28, 2017; <https://www.cnbc.com/2017/05/28/car-owners-are-holding-their-vehicles-for-longer-which-is-both-good-and-bad.html>



Email: communications@ulupono.com

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Thursday, March 14, 2019 — 8:35 a.m. — Room 325

Ulupono Initiative Provides Comments on SB 657 SD 2 with Amendments, Relating to Electric Vehicles

Dear Chair Lowen, Vice Chair Wildberger, 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 provides comments on SB 657 SD 2 with amendments, which:

- 1) Extends current electric vehicle benefits to 2023 (parking and high occupancy lane access)
- 2) Reduces existing non-metered parking benefits for electric vehicles 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 - 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 effectively slowing 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.

This committee could also consider differentiating “unmetered parking stalls”. An unmetered parking stall at a parking lot is a different situation from airport parking. It is less likely that an EV owner would need a full day to park if they are at a unmetered parking lot, whereas they may need 24 hours or longer for parking at the airport since many are there to travel. We suggest creating a separate definition for an unmetered parking stall at airports versus non-airport unmetered parking stalls.

While Ulupono appreciates this bill’s intent to extend the existing EV benefits (HOV access and parking), an extension of only three years in exchange for heavily reducing the parking benefit seems problematic. The original intent of a ten year extension to 2030 was proposed due to the expectation that by 2030, Hawai‘i should see around 10 percent market share for EVs, a figure determined necessary for EVs to gain enough traction in the marketplace.

Support Clean Transportation

Electric vehicles (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.

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 – they are about 60 percent less expensive to drive per mile vs. an internal combustion engine vehicle
- 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

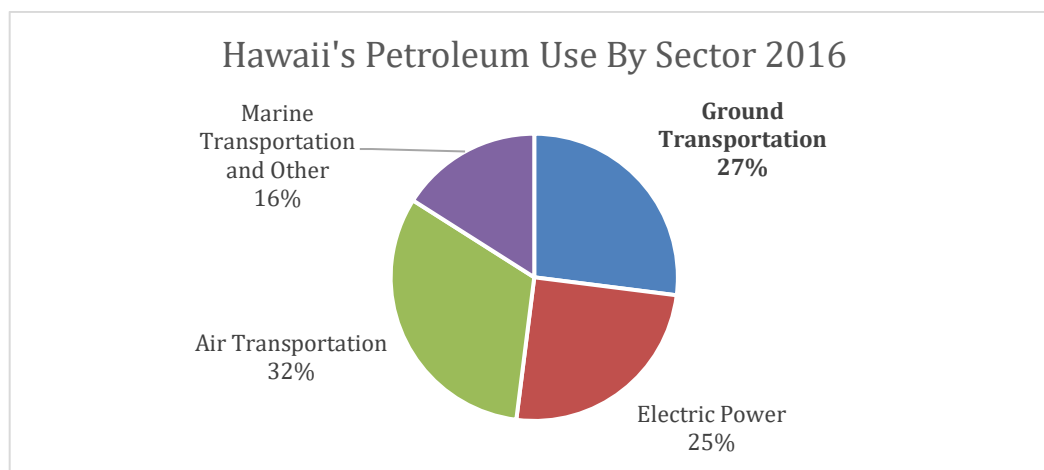
EVs are an increasingly affordable option for all. For example, the 2019 Nissan Leaf’s average MSRP is \$33,095. After the Federal tax credit is considered, the purchase price is \$25,595, which is less than the best selling sedan in the country, the 2019 Toyota Camry. Attachment A to our testimony compares 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 tailpipe pollution from the air that we all breathe.



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. Thus, EVs directly improve the health of our communities as well as the globe.

EVs can also 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 more than 8,000 passenger EVs registered in Hawai'i, a 24 percent growth from the previous year, but lower than the national average of 81 percent growth. 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 top 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.

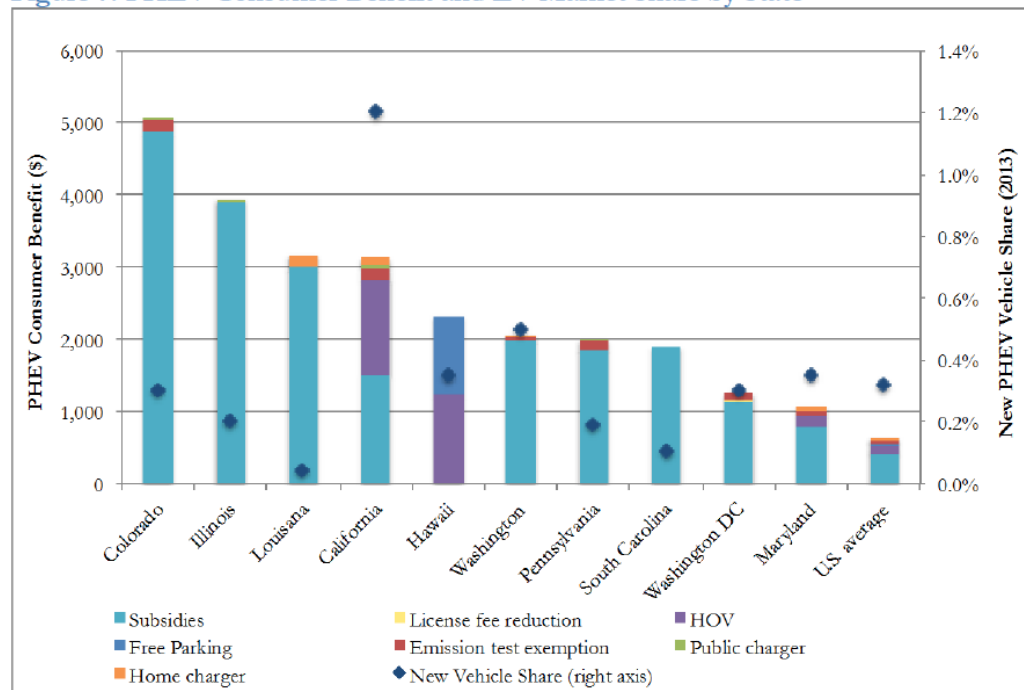
However, we simply cannot wait. A new report by the United Nation Intergovernmental Panel on Climate Change warns global human-caused emissions of carbon dioxide need to fall 45 percent by 2030, and it will “require rapid, far-reaching and unprecedented changes in all aspects of society.” We must be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

Figure 7. PHEV Consumer Benefit and EV Market Share by State



Most importantly, limiting the parking benefit sends a message that the State is not serious about climate change and does not believe in EV's important role 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. 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.

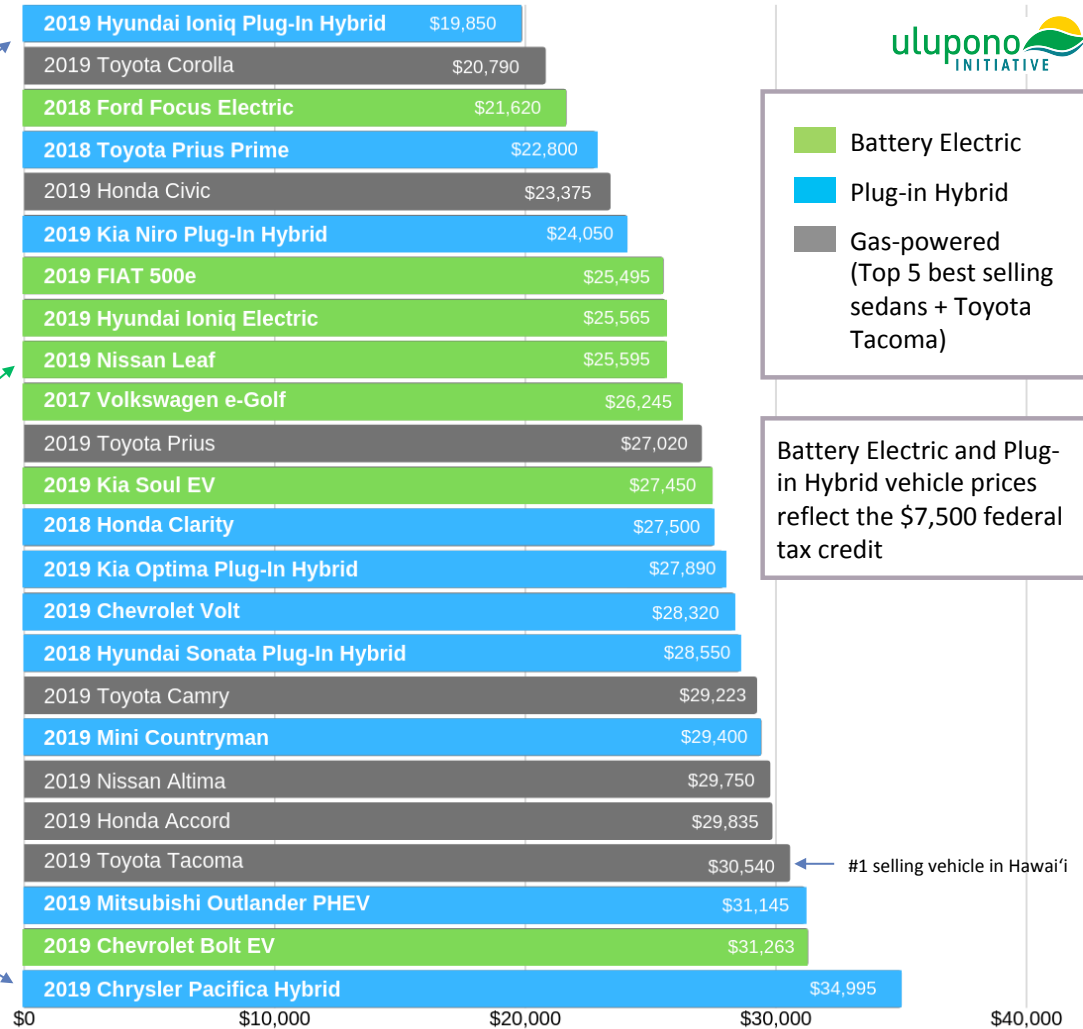
As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that support clean ground transportation.

Thank you for this opportunity to testify.

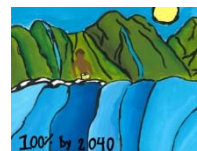
Respectfully,

Murray Clay
Managing Partner

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



Nationwide Average MSRP Data from Edmunds – January 2019



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

March 14, 2019, 8:35 A.M.

Room 325

(Testimony is 2 pages long)

TESTIMONY OFFERING COMMENTS ON SB 657 SD2, WITH SUGGESTED AMENDMENT

Aloha Chair Lowen, Vice Chair Wildberger, and members of the Committee:

Blue Planet Foundation **supports the extension of the sunset date for electric vehicle incentives** in Senate Bill 657 SD2, **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, which extended the sunset date to 2030 rather than 2023.** At a minimum, the sunset date for electric vehicle incentives should be extended to at least 2025.

If the legislature intends to reduce the parking incentives available to electric vehicle (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.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.

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

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.

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.²

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. China also 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.

The issue of parking at the airport has been an ongoing talking point in the debate about EV parking benefits. If the legislature is concerned about the availability of parking for local travelers at the airport, we would encourage a dialogue regarding possible alternatives (e.g., alternative parking or transportation options for airport and airline employees or another means of identifying these individuals) rather than effectively eliminating the benefit at this early stage in EV adoption. Indeed, an exemption of four hours at the airport is not an effective amount of time to provide a traveler with a tangible benefit, even for the shortest of inter-island trips.

Blue Planet Foundation strongly supports the original draft of SB 657, which is an opportunity to reinforce Hawaii's support for EV adoption. At a minimum, the sunset date for electric vehicle incentives should be extended to at least 2025.

Thank you for the opportunity to testify.

² 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).



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 13, 2019

TO: Representative Nicole Lowen
Chair, Committee on Energy & Environmental Protection

Submitted Via Capitol Website

FROM: Tiffany Yajima

RE: **S.B. 657, S.D.2 – Relating to Electric Vehicles**
Hearing Date: Thursday, March 14, 2019 at 8:35 a.m.
Conference Room: 325

Dear Chair Lowen and Members of the Committee on Energy & Environmental Protection:

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 S.B. 657, S.D.2, which would extend current electric vehicle incentives beyond the anticipated sunset date of June 30, 2020. While the S.D.2 version of this measure would extend the sunset date by an additional three years to June 30, 2023, the Alliance notes that the S.D.1 version of this measure extended the sunset date by an additional 10 years to June 30, 2030.

The Alliance is supportive of policies such as HOV access and parking benefits for electric vehicles because they would encourage greater adoption of these vehicles in Hawaii. While electric vehicle registrations are increasing, passenger electric vehicles still only make up less than 1% of registered vehicles on the road in the state today. Extending benefits by an additional 10 years provides a strong incentive to encourage consumer adoption of these fuel efficient vehicles.

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

SB-657-SD-2

Submitted on: 3/12/2019 9:45:26 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Fernando L Alvarado	Individual	Support	No

Comments:

Extending parking privileges for 100% EVs at government facilities is a low cost high visibility way of supporting the transition to EVs. By their very nature, EVs that are 100% EV will be unable to park for very extended periods. I think having a four hour restriction on the free parking is helpful, but a multi-day option would be better. But any such continued support is helpful. Mahalo.

SB-657-SD-2

Submitted on: 3/12/2019 10:49:31 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robin Uyeshiro	Individual	Support	No

Comments:

Hello.

Please consider voting for SB657 to extend the sunset of the parking exemption for electric vehicles. The parking exemptions are a major motivating factor for the purchase of electric vehicles. If the state is serious about reducing emissions from internal combustion engines, then extending the sunset of the parking exemptions is an obvious course of action, especially while electric vehicles are still such a small portion of the cars in use.

Mahalo!

SB-657-SD-2

Submitted on: 3/12/2019 11:02:40 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daryl Fong	Individual	Support	No

Comments:

I support SB657 and want to continue legislative incentives to further the use of electric vehicles.

The current number of electric (especially pure electric, ie. no tailpipe) vehicles is still a significantly small percentage of the vehicles being operated in Hawaii. I believe the existing threshold of a 4kw battery is out of date and needs to be raised. Automobiles that cannot even drive 100 miles on pure electricity should not qualify for these incentives as they still use gasoline engines to pollute the environment. Eliminating these faux electric vehicles would do more to encourage the buying of truly electric, non-polluting vehicles than changing the existing incentives.

Another more positive step forward would be to update the state tax incentive to recognize the arrival of affordable electric battery packs. This would better enable homeowners with photovoltaic systems to generate enough electrical energy to power their homes and their vehicles in a more cost effective way. It would also reduce the stress on Hawaiian Electric during the peak energy consumption periods. The lack of tax breaks is a key cost consideration for not getting a battery pack for many of the other electric vehicle owners that I have talked to. The cost of the tax update could be very close to a zero sum tax change combined with the update to increase the 4kw battery or eliminate vehicles with an engine exhaust pipe.

Aloha

SB-657-SD-2

Submitted on: 3/12/2019 11:06:54 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Timothy Kim	Individual	Support	No

Comments:

I am writing in support of SB657. As a driver of an electric vehicle, I feel that I am supporting the State's goal of becoming free from the use of petroleum. The use of electric vehicles help this process. We need to continue to provide incentives to encourage more adoption of these types of vehicles. Without the incentives, the general public will continue to rely on gas-powered vehicles, which contribute to global warming.

SB-657-SD-2

Submitted on: 3/12/2019 10:31:06 PM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanette Vinton	Individual	Support	No

Comments:

Dear Chair Lowen, Vice Chair Wildberger and Members of the Committee,

I am writing in support of SB657 SD2 to extend EV Owner benefits including HOV lane access and parking benefits to 2023. 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. We still have a long way to educate the public on the benefits of EV ownership. And 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.

But one concern I have is the limitation being placed on the parking benefits for non-metered parking, and more specifically, parking at the Daniel K. Inouye International Airport. While I understand the DOT's concerns about potential lost revenue, I believe that a reduction of the benefit to four hours will simply cause EV drivers like me to not park at the airport anymore and get dropped off instead. Increased drop-offs will increase airport traffic. It makes more sense and would likely be easier to implement a discount on parking fees for EVs. A 50% discount (equal to \$9/day) would likely be more amenable to EV drivers using airport parking and still provide additional revenues to the State that they otherwise won't be getting.

Thank you for your consideration.

Sincerely,

Nanette Vinton

SB-657-SD-2

Submitted on: 3/12/2019 9:39:30 PM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

SB-657-SD-2

Submitted on: 3/13/2019 11:00:37 AM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Peter Forman	Individual	Support	No

Comments:

I support SB 657 because giving incentives for the use of Electric Vehicles is one of the most efficient ways to realize the state's overall goal of less dependence upon imported oils and a move instead to clean, sustainable transportation and living in the state. If we the people of Hawaii wish to take a stand on climate change, supporting EVs is a great way to show our intentions. The incentives in this bill are affordable and yet they do indeed nudge Hawaii residents in the direction toward making a more responsible choice in a vehicle to drive.

SB-657-SD-2

Submitted on: 3/12/2019 4:13:51 PM

Testimony for EEP on 3/14/2019 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Michaels	Individual	Oppose	No

Comments:

Waving airport parking fees was a significant perk in attracting people (including me) to consider buying an electric vehicle. It supported our goals of converting to renewable energy. This bill reverses that. I am opposed to this bill. Please vote no.



To: The House Committees on Energy and Environmental Protection
From: Brodie Lockard, Hawaii State Climate Lead, Organizing for Action
Date: Thursday, March 14, 2019, 8:35 am

In opposition to SB657 SD2

Dear Chair Lowen, Vice Chair Wildberger, and Committee Members—

Organizing for Action opposes SB657 SD2.

Free parking and access to the zipper lane may be just the extra incentive some consumers need to make the change to an EV, and Hawaii needs as much of that change as we can muster.

Lost parking fees are a tiny price to pay to eliminate the carbon emissions that an internal combustion engine will produce over a car's ten-year life.

Please defer SB657 SD2 and continue to encourage EV adoption.

Thank you for the opportunity to testify.

Brodie Lockard
Hawaii State Climate Lead, Organizing for Action

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