

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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 CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON TRANSPORTATION AND
ENERGY & ENVIRONMENTAL PROTECTION
ON
HOUSE BILL NO. 2493

February 4, 2020
11:00 a.m.
Room 325

RELATING TO CARBON EMISSIONS REDUCTION

The Department of Budget and Finance (B&F) offers comments on House Bill (H.B.) No. 2493.

H.B. No. 2493 establishes the Clean Vehicle Special Fund (CVSF) under the administration of the Department of Business, Economic Development and Tourism (DBEDT) and the Chief Energy Officer of the Hawai'i State Energy Office; creates a graduated Gasoline-powered vehicle tax (GPVT); and provides for a rebate program to incentivize the purchase of new electric vehicles (EV) subject to certain qualifications.

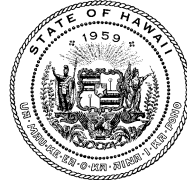
Funds from the CVSF would be used to provide rebates on new EVs that have a manufacturer's suggested retail price of \$40,000 or less. Revenues for the CVSF would be derived from the GPVT at a rate of one, two, or three percent of the gross proceeds of the sale of a passenger car or pickup truck that is solely powered by gasoline depending on the vehicle's miles per gallon based on the federal Environmental Protection Agency's combined ratings. Passenger cars or pickup trucks used solely for commercial or agricultural purposes are exempted from this provision.

As a matter of general policy, B&F does not support the creation of any special fund which 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. Regarding H.B. No. 2493, it is difficult to determine whether the proposed special fund would be self-sustaining.

B&F defers to DBEDT and the Department of Taxation on the programmatic and taxation aspects of this bill.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR
JOSH GREEN M.D.
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

RONA M. SUZUKI
DIRECTOR OF TAXATION
DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Henry J.C. Aquino, Chair;
The Honorable Troy N. Hashimoto, Vice Chair;
and Members of the House Committee on Transportation

The Honorable Nicole E. Lowen, Chair;
The Honorable Tina Wildberger, Vice Chair;
and Members of the House Committee on Energy & Environmental Protection

From: Rona M. Suzuki, Director
Department of Taxation

Re: H.B. 2493, Relating to Carbon Emission Reductions

Date: Tuesday, February 4, 2020

Time: 11:00 A.M.

Place: Conference Room 325, State Capitol

The Department of Taxation (Department) supports the intent of H.B. 2493 and provides the following comments.

H.B. 2493 establishes a clean vehicle special fund to incentivize the purchase of vehicles that produce less carbon emissions by providing a rebate to be administered by the Department of Business, Economic Development & Tourism (DBEDT). The measure is effective on July 1, 2020. The measure also creates a graduated gasoline-powered vehicle tax to be paid by purchasers of a passenger car or pickup truck that are powered solely by gasoline. The proceeds of this new tax will be deposited into the clean vehicle special fund to be established by this measure.

The Department notes that subsection (d) of the new tax instructs DBEDT to adopt rules to effectuate the purpose of the section. Because this new section will be codified in Title 14, Hawaii Revised Statutes, the Department has the authority to adopt rules for this section. The Department suggests subsection (d) be amended to require the Department to adopt rules effectuate the purpose of this new tax in conjunction with DBEDT.

The Department also notes that the structure of this tax requires it to be administered completely independent from the general excise tax. As such, the Department respectfully requests that the new tax be applicable beginning January 1, 2022 to provide sufficient time to develop the forms and make the necessary modifications to the computer system to administer this new tax.

Thank you for the opportunity to provide comments.



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
Anukriti Hittle
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission

Before the House Committees on
TRANSPORTATION
and
ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, February 4, 2020
11:00 AM
State Capitol, Conference Room 325

In support of
HOUSE BILL 2493
RELATING TO CARBON EMISSIONS REDUCTION

House Bill 2493 proposes to establish a clean vehicle special fund to incentivize the purchase of vehicles that produce less carbon emissions by providing a rebate. It also proposes to create a graduated gasoline-powered vehicle tax to be paid by purchasers of a passenger car or pickup truck that is powered solely by gasoline and obtains only a certain number of miles per gallon. **On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I offer the following comments in support of this measure.**

The Hawaii Climate Change Mitigation and Adaptation Commission “recognizes the urgency of climate threats and the need to act quickly. It promotes ambitious, climate-neutral, culturally responsible strategies for climate change adaptation and mitigation in a manner that is clean, equitable and resilient.” The Commission, established by Act 32 SLH 2017 to uphold the United States’ pledges under the Paris Agreement, is the coordinating body for policies on climate change mitigation and adaptation for the state. It is a high-level multi-jurisdictional body that guides the priorities of the state’s climate response. Co-chaired by DLNR and Office of Planning, it consists of 20 members—chairs of four legislative committees, and executive department heads at the county and state levels.

Transportation (air and ground) is the single largest source of greenhouse gas emissions in Hawaii. This mirrors a nationwide trend--according to EPA, transportation was the largest source of GHG emissions in 2017. Reducing emissions from ground transportation is one of the two focuses of the Commission, and HB2493 is a crucial component of this effort. The Commission’s statement on ground transportation, issued in November 2018, “supports mechanisms to reduce overall

Co-Chairs:
Chair, DLNR
Director, Office of Planning

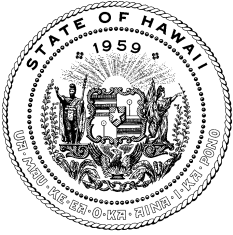
Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WTH
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai'i DP
Director, Kaua'i DP
The Adjutant General
Manager, CZM

vehicle miles travelled (VMT) as well as converting all remaining vehicle-based ground transportation to renewable, zero-emission fuels and technologies.” Such conversions include electrification of transportation, and the use of clean, renewable fuels.

A rebate program such as the one proposed in this bill can be critical in promoting this transition to clean transportation.

In its November 2018 statement supporting a price on carbon, the Commission emphasized that carbon fee program mechanisms should minimize regressivity. It therefore urges any rebate program to consider and address currently underserved and vulnerable populations in an equitable manner, and that the measure include reference to such equity.

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



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5TH Floor, Honolulu, HI 96813 | energy.hawaii.gov

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

(808) 587-3807

Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
**HOUSE COMMITTEES ON TRANSPORTATION
AND
ENERGY & ENVIRONMENTAL PROTECTION**

Tuesday, February 4, 2020

11:00 AM

State Capitol, Conference Room 325

In consideration of
HB 2493
RELATING TO CARBON EMISSIONS REDUCTION.

Chairs Aquino and Lowen, Vice Chairs Hashimoto and Wildberger and members of the Committees. The Hawaii State Energy Office (HSEO) appreciates the intent and submits comments for HB 2493 that establishes a clean vehicle special fund to incentivize the purchase of vehicles that produce less carbon emissions by providing a rebate; creates a graduated gasoline-powered vehicle tax to be paid by purchasers of a passenger car or pickup truck that is powered solely by gasoline and obtains only a certain number of miles per gallon.

Emissions from ground transportation such as passenger cars, light trucks, motorcycles, and heavy-duty vehicles still account for the largest share of energy sector emissions in the state. As noted in the 2016 Greenhouse Gas Inventory, transportation emissions in Hawaii were at 8.69 million metric tonnes of carbon dioxide equivalents, accounting for 51 percent of energy sector emissions. Ground transportation accounted for 47 percent of those transportation emissions. For Hawaii to meet its target to sequester more greenhouse gases than we emit as soon as practicable but no later than 2045 (Hawaii Revised Statutes §201-12.8 Energy Security Special Fund), programs that support the adoption of cleaner transportation options are extremely important.

Eliminating emissions from ground transportation sector will require significant adoption of both public and privately owned EVs. The retail cost of electric vehicles has been noted as a barrier to electric vehicle adoption. Establishing electric vehicle incentives for the purchase of new electric vehicles would aid the consumers in the adoption of electric vehicles and send a clear signal to the market that Hawaii supports electric vehicles. A market signal is important in that EV models are being introduced for new vehicle segments, such as light duty trucks, and

positioning Hawaii as an EV positive market can help direct limited inventory of those new models to Hawaii. Increased adoption of electric vehicles aligns with the state's clean energy goals and supports the HSEO's efforts to promote clean transportation and address a significant portion of Hawaii's carbon emissions.

The PUC may be the appropriate entity to administer the intent of HB2493 as they currently administer a rebate program for EV charging infrastructure. Leveraging the work performed by the PUC to stand up the existing rebate program rather than creating separate rebate programs would support efficient implementation.

We look forward to working with the Committee and coordinating with state agencies on this topic.

Thank you for the opportunity to testify.



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

LATE

DATE: February 3, 2020

TO: Representative Henry Aquino
Chair, Committee on Transportation

Representative Nicole Lowen
Chair, Committee on Energy & Environmental Protection
Submitted Via Capitol Website

FROM: Tiffany Yajima

RE: **H.B. 2493 – Relating to Carbon Emissions Reduction**
Hearing Date: Tuesday, February 4, 2020 at 11:00 a.m.
Conference Room: 325

Dear Chair Aquino, Chair Lowen and Members of the Committees:

On behalf of the Alliance for Automotive Innovation (“Alliance”) we submit this testimony providing comments on H.B. 2493.

The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

This measure would assess an additional, graduated tax on the sale of gasoline-powered passenger cars or pickup trucks based on the vehicle’s fuel economy. It would also create a clean vehicle special fund into which the gasoline-powered vehicle tax, in addition to monies appropriated by the legislature, would be deposited to fund rebates on the sale of new electric vehicles with an MSRP of \$40,000 or less.

The additional tax levied on gasoline-powered vehicles would create a disincentive for purchasers of traditionally-powered vehicles in favor of purchasers who are able to afford the higher price of an electric vehicle. The average life of a vehicle is 12.5 years, which can be longer in Hawaii due to a strong resale market for used vehicles, and therefore gasoline-powered vehicles will be part of Hawaii’s vehicle mix for years to come. This measure would tax purchasers of new and used gasoline-powered vehicles who may be unable to afford the price of an electric vehicle.

This measure could also have the unintended effect of burdening working people and families who require larger vehicles by subsidizing purchases of zero emission vehicles. Minivans, pick-up trucks and SUVs are popular vehicles in Hawaii. Consumers choose these vehicles for their utility, safety features, and towing and seat capacity.

There are many effective ways to influence consumer choice through consumer tax incentives and electric vehicle benefits that would encourage the purchase of advanced technology vehicles. A package of electric vehicle benefits such as free parking and HOV lane access passed in 2012 (Act 168) and is poised to sunset on June 30, 2020. The Alliance supports the approach taken in S.B. 2657 to extend the sunset date for these benefits.

Thank you for the opportunity to submit these comments.



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

February 4, 2020, 11:00 A.M.

Room 325

(Testimony is 4 pages long)

TESTIMONY IN STRONG SUPPORT OF HB 2493

Aloha Chairs and Aquino and Lowen, Vice Chairs Hashimoto and Wildberger, and members of the committees:

Blue Planet Foundation strongly supports HB 2493, a potentially groundbreaking policy to equitably shift Hawaii’s vehicle fleet from polluting gas cars and trucks to zero emission vehicles. The policy proposed in HB 2493 is simple: place a larger tax on the sale of vehicles that pollute more per mile than average and use those funds to provide a rebate for lower-cost electric vehicles. The concept is based on the “polluter pays” principle: consumers who purchase low efficiency vehicles pay extra for the privilege of polluting—and in this case the additional payment is used to incentivize clean vehicles. The proposed policy is revenue neutral, meaning that it will require no additional money from the general fund or existing funds.

Urgent Need for Clean Vehicle Policy

Despite policies adopted by the legislature to set a goal of carbon neutrality for Hawaii by 2045 and for Hawaii to achieve the Paris Climate Agreement objectives, Hawaii is failing to make progress on carbon emissions reductions from the ground transportation sector. Carbon emissions from Hawaii’s cars and trucks grew approximately 6% in 2019 over 2018 levels—an increase of nearly 600 million pounds of greenhouse gas. Overall fossil fuel use for ground transportation statewide is up 10% over the past decade (see Figure 1 on the second page of this testimony). Hawaii drivers are increasingly choosing larger, heavier vehicles, which are often less fuel efficient. According to the Hawaii Auto Dealers Association, pickup trucks and sport utility vehicles accounted for 67.9% of Hawaii vehicle sales in 2018, an increase from 48.7% in 2012. Hawaii currently has no policies to reverse this trend. Unlike numerous other states, Hawaii has no rebates or monetary incentives to encourage the adoption of clean electric vehicles.

Real world evidence demonstrates that increasing fuel prices are a weak incentive for consumers until the price of gasoline exceeds \$4 to \$5 per gallon. Unfortunately, despite the highest fuel costs in the nation, Hawaii’s consumers do not choose more efficient vehicles

compared to the national average. Additional policy measures are needed to discourage the purchase of gas guzzling vehicles and accelerate adoption of clean, electric vehicles.

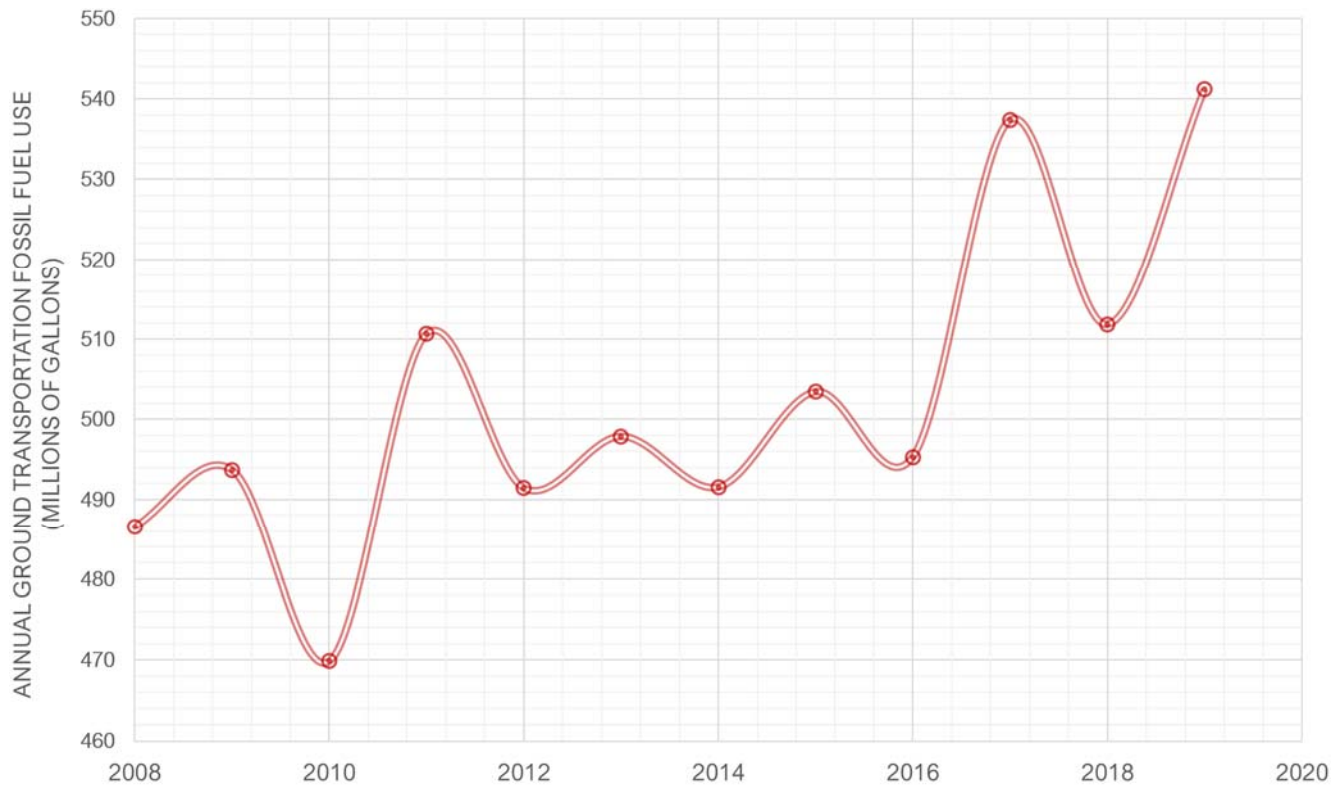


Figure 1: Hawaii Annual Fossil Fuel Consumption for Cars and Trucks

Electric Vehicles Key to Hawaii’s Renewable Energy Future

Electric vehicles play a critical role in Hawaii’s clean energy future. While EVs that use the existing electricity grid to charge still use some fossil fuel (except on Hawaii Island), they use that fuel far 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 better 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.

Electric vehicles (EV) are the fastest growing segment of new cars in Hawaii. Over roughly the past year (September 2018 – September 2019), EV registrations statewide increased by 28%,

while registrations of gasoline-powered vehicles grew only 1 percent.¹ We expect the number of registered EVs to grow substantially as new EV models with longer ranges and lower prices hit the market. Still, nearly 1,050,000 fossil fuel-powered vehicles are on Hawaii’s roads—and from them comes nearly five million metric tons of climate-changing carbon pollution. Per mile, gasoline-powered vehicles cost more to fuel, operate, and maintain than their zero emission electric counterparts.

The *Feebate* Solution for Hawaii

The most effective and transparent solution to shift vehicle buying behavior is a “feebate.” A feebate program, in general, is a self-financing system of fees and rebates that are used to shift the costs of negative externalities (in this case, carbon emissions) onto those who impose them. It is both a “fee” and a “rebate.” The feebate contemplated in HB 2493 is structured to provide a rebate to lower-cost electric vehicles that is funded by a new fee or tax for inefficient vehicles. The purpose of structuring the feebate this way is to create an incentive for consumers to purchase clean vehicles that will reduce Hawaii’s contribution to climate change while discouraging dirty, polluting vehicles.

The feebate increases consumer accountability for their choices. Consumers who choose to drive inefficient vehicles are held accountable for their actions by paying an additional tax on their vehicles—in other words, *they pay extra for the privilege of polluting*. This tax is used to pay a rebate for consumers who choose to purchase lower-cost electric vehicles (less than \$40,000). The feebate has the additional virtue of being revenue neutral.

The policy proposed in HB 2493 contains three important elements that make it more effective and equitable.

1. *Variable tax rate based on carbon pollution per mile.* This measure proposes a variable tax rate based on the fuel economy of the gasoline-powered vehicle. For vehicles that obtain less than 20 miles per gallon (based on the Environmental Protection Agency’s combined fuel economy rating), the additional tax will be three percent of the gross sale price; for gasoline vehicles that obtain between 20 and 24 miles per gallon, the tax is two percent; and for gasoline vehicles that obtain between 25 and 29 miles per gallon, the tax is one percent. Vehicles achieving 30 miles per gallon or more will not be subject to additional tax. Further, this tax will only apply to the sale of new vehicles—used vehicles will not be taxed.
2. *Rebates for lower-cost electric vehicles.* House Bill 2493 establishes a rebate program for the purchase of new electric vehicles that cost \$40,000 or less. The intent of this threshold is to target more affordable EV models and not subsidize the purchase of higher end, luxury EV models. Further, such a threshold will increase the overall

¹ DBEDT Monthly Energy Trends, January 2020 (<http://dbedt.hawaii.gov/economic/energy-trends-2/>).

inventory of more accessible, lower-cost EVs in the used market a few years into the future.

3. *Commercial vehicles exempt from the tax.* Delivery trucks, contractor trucks, farm vehicles, and other vehicles used for commercial or agricultural purposes will not be additionally taxed.

These policy elements help to ensure that the proposed feebate is an effective at nudging buyers away from the most polluting vehicles while incentivizing more affordable clean vehicles.

Blue Planet Foundation strongly supports HB 2493 as a smart, innovative policy to equitable shift Hawaii's vehicle purchasing from climate-changing gas guzzlers to clean vehicles.

Thank you for the opportunity to testify.

HB-2493

Submitted on: 2/3/2020 11:25:25 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard J Martin	Green Homes at Lualualei, LLC.	Support	No

Comments:

Dear Comittee Members,

As a State we are transitioning from fossil fuels to solar and other renewable energy sources. A very important step is making electric transportation accessible for all. This bill a a huge step in the right direction, as it will quicken the pace of electric vehicle adoption.

--R.J. Martin



183 Pinana St., Kailua, HI 96734 • 808-262-1285 • info@350Hawaii.org

To: The House Committees on Energy & Environmental Protection;
and Transportation
From: Brodie Lockard, Founder, 350Hawaii.org
Date: Tuesday, February 4, 2020, 11:00 am

In strong support of HB 2493

LATE

Dear Chairs Lowen and Wakai, and members:

350Hawaii strongly supports HB 2493. It's a brilliant two-pronged way to have a dramatic impact on our emissions. One-time rebates on new EVs coupled with one-time taxes on carbon spewers is a terrific carrot and stick. Incentivize buying EVs and discourage buying gas guzzlers, together.

The Hawaii Auto Dealers Association says drivers in Hawaii are increasingly choosing larger, heavier vehicles, and we need to give EVs a boost past their anemic 1% adoption rate here.

The transportation sector contributes more to the Climate Crisis than any other sector in Hawaii. More than two-thirds of the fossil fuel imported into the State is used for transportation.

Driving an EV is the single biggest contribution a resident can make to fight the Climate Crisis. But they're still expensive, even though they may be cheaper than a gas car over the life of the vehicle. And the federal tax credit goes away soon, maybe this year.

This bill will help EV adoption a great deal, and it's revenue neutral.

Every government official around the world, at every level, is thinking, "Well, we can't fix climate change." And sure enough, every government official around the world, at every level, is not fixing climate change. But someone needs to pitch in. Hawaii needs to pitch in.

Please pass this brilliant bill.

Brodie Lockard
Founder, 350Hawaii.org



John Uekawa, President
Dave Rolf, Executive Director

LATE

HADA Testimony in STRONG OPPOSITION to HB2493,
RELATING TO CARBON EMISSIONS REDUCTIONS

EXPRESSING GRAVE CONCERNS FOR THE MARKET DISRUPTION THIS BILL WOULD CAUSE
Presented to the House Committee On Transportation and the House Committee on Energy &
Environmental Protection

at the Public Hearing 11 a.m., Tuesday, February 4, 2020
in Room 423 Hawaii State Capitol

by David H. Rolf for members of the Hawaii Automobile Dealers Association,
*Hawaii's franchised new car dealers, who provide sales, warranty work and other factory-certified
maintenance service for Hawaii's privately-owned and fleet-owned cars and light trucks*

Chairs Aquino and Lowen, Vice chairs Hashimoto and Wildberger and members of the
committees:

HADA has testified frequently this session on Hawaii's franchised new car dealers' ardent and
extensive efforts to assist the State and car and truck customers with the auto industry's
evolving transition to renewable fuels, however, we feel this bill will create serious disruption of
a free market and produce an opposite effect to that intended.

The transition to renewable fuel in ground transportation is an evolution, not a revolution,
brought about by market disrupters.

The new car dealers in Hawaii express grave concerns for the market disruption this bill would
cause.

Our first concern is for economically-challenged customers. A feebate system like this achieves
wealth redistribution from the mid-income households to the richest. Electric vehicle purchasers tend
to be in a higher income category than those vehicle customers in the trade professions who use their
gasoline-powered pickup trucks for example, for personal and work-related trips.

Large families, which also tend to be middle-income, and who need to purchase larger vehicles for
their family's personal use, would also be penalized by this feebate bill.

Our second concern is for the 4,429 workers in the Hawaii auto industry itself, whose industry would
be penalized by the reduction new car sales in Hawaii caused by a feebate system that would
encourage customers to buy their new cars from outside the state and ship them in to avoid feebate
"fees" as high as \$1,200.

Our third concern is that no research has been offered to show what affect such a feebate program
would have on atmospheric carbon reduction. Hawaii's transition to 100% renewable energy

generation by the electric utilities is still underway. Electric vehicles charged on the Hawaii grid continue to put carbon into the atmosphere through use of electricity produced, in part, by oil.

Our fourth concern is that there is disruption that occurs when such programs are discontinued. The city of Atlanta, Georgia offered a state-funded rebate program for EVs at the \$5,000 level, and generated significant early response, but later, when it was abruptly cancelled, it created market collapse for the EV segment, and great disruption at dealerships.

A fifth concern is that the fee on the new vehicle purchase would cause the market to shift somewhat to used vehicle purchases and since these older vehicles are less fuel-efficient than the newer models, the feebate would have an opposite effect.

A sixth concern is that there is not a one-for-one ratio of vehicles subject to the “fee” compared to vehicles eligible for the “rebate.” The gas-powered vehicles sold in Hawaii, at the moment, outnumber the, hybrid, plug-in hybrid, and battery electric vehicles by 11-to-1. There would be a possibility that the special fund would see excess funds then transferred to the general fund as with the significant funds in the barrel tax which have been transferred to the general fund instead of being used for their original environment-oriented uses.

Finally, we note, that a large number of electric vehicle and plug-in electric vehicle models have Manufacturer Suggested Retail Prices in excess of \$40,000.

For the above reasons listed, with more industry concerns yet to be listed, we respectfully ask that the committees defer consideration of this bill.

Respectfully submitted,
David H. Rolf

For the members of the Hawaii Automobile Dealers Association



**Hawaiian
Electric**

**TESTIMONY BEFORE THE COMMITTEE ON TRANSPORTATION
AND
ENERGY & ENVIRONMENTAL PROTECTION**

H.B. 2493

Relating to Carbon Emissions Reduction

Tuesday, February 4, 2020
11:00 AM, Agenda Item # 1
State Capitol, Conference Room 325

Michael Colón
Manager, Electrification of Transportation
Hawaiian Electric Company, Inc.

Aloha Chair Aquino, Chair Lowen, Vice Chair Hashimoto and Vice Chair Wildberger and
Committee Members,

My name is Michael Colón and I am testifying on behalf of Hawaiian Electric
Company, Inc. (Hawaiian Electric) in support of H.B. 2493, Relating to Carbon
Emissions Reduction. Hawaiian Electric Company supports this measure because it
sends a strong message to continue the state's transition towards clean transportation.

H.B. 2493 would be a landmark bill establishing Hawaii as a leader in clean
transportation, sending a strong signal to the rest of the country that we recognize the
importance of transportation in addressing the growing challenges related to climate
change. This bill would also send a strong signal that we all must be active participants
in the transition to clean transportation to remain relevant and responsible in the years
to come.

Hawaii has achieved the second highest electric vehicle adoption per capita and has done so with relatively few electric vehicle incentives. This bill would create a virtuous circle of funding to bolster the EV market and disincentivize fossil fuel burning vehicles, and address one of the primary barriers to adoption in the higher entry price of vehicles. Contrary to prevailing belief, electric vehicle prices are anticipated to come down in the near term, making this bill even more influential in incentivizing adoption and making it more affordable for individuals to convert to EV.¹ The Company suggests clarifying the definition of “commercial” and “agricultural” uses to ensure that such uses would not be penalized where no viable market ready alternative exist.

Hawaiian Electric Company considers the expanding 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 Company is 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, Hawaiian Electric Company submit these comments on H.B. 2493. Thank you for this opportunity to testify.

¹ https://www.greencarreports.com/news/1126308_electric-car-battery-prices-dropped-13-in-2019-will-reach-100-kwh-in-2023; <https://cleantechnica.com/2019/04/17/bnef-shocker-electric-cars-price-competitive-in-2020-as-battery-costs-plummet/>; <https://articles2.marketrealist.com/2019/08/how-tesla-model-3-lowering-ev-prices-us/#>; <https://about.bnef.com/blog/battery-pack-prices-fall-as-market-ramps-up-with-market-average-at-156-kwh-in-2019/>; <https://www.iflscience.com/technology/battery-costs-drop-even-faster-electric-car-sales-continue-rise/>

HB-2493

Submitted on: 2/3/2020 7:56:57 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

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

Comments:

Dear Chair Lowen, Vice Chair Wildberger, and members:

Please note that I intended to submit the following testimony for this bill (I submitted it in error to HB 2462 earlier). My apologies for the inconvenience.

I lead the Hawaii Electric Vehicle Association. We strongly support HB2493.

Hawaii’s transportation sector contributes more to the climate crisis than any other sector. Our ground transportation consumes about a third of our imported fossil fuel – it contributes to significant carbon emissions. Unfortunately, our gasoline consumption and emissions are still increasing. We must be more aggressive in the decarbonization of our transportation sector; electrification is way to accomplish this. Electric vehicles are many times more efficient that fossil fuel vehicles (80% vs 20%) and naturally contribute to dramatic emissions reductions. They will help enable us to achieve energy independence, don’t contribute to air and noise pollution, and are also more cost effective to maintain and operate.

Electric vehicles are becoming more available and diverse. There will soon be a form factor that meets all needs. That said, the cost of electric vehicles is a barrier to adoption, especially for residents who are price conscious. A rebate for the purchase of an electric vehicle will incentivize residents to make the shift from gas to electric. This was done once in the past (in the 2011 timeframe) and it resulted in the Nissan LEAF making its way into many households in the state.

The proposed fee on expensive gas guzzling vehicles to fund the rebate is brilliant – it will create a funding mechanism while creating a market signal to encourage the shift to more fuel-efficient vehicles.

Proposed Amendments:

1) I recommend that the rebate be structured in a manner that incentivizes the purchase of electric vehicles with the highest pure-electric range. This will allow consumers to opt

for cars with the lowest emissions potential. One way to do this is to allow for the rebate to be based on the nature of the car's ability to drive in pure-electric mode, e.g.,

- \$5000 – for Battery Electric Vehicles and Fuel Cell Electric Vehicles
- \$2000 – for Plug In Hybrid Electric Vehicles with >30 mile pure-electric mile range.
- \$500 – for Plug In Hybrid Electric Vehicles with <30 mile pure-electric mile range.

Our focus must ideally be to incentivize non-fossil fuel vehicles. While Plug In Hybrids might offer an acceptable transitional vehicle, particularly in MUD-dense environments, we need to incentivize models with high pure-electric miles. Of course, the optimum are pure-electric vehicles - there are several with over 150 miles of range, more than enough for most residents.

2) Please also consider allowing this rebate to be offered for car leases as a means to further increase affordability.

3) Lastly, consider a tiered rebate based on household income (a larger amount for lower income households, e.g., Rebate amount X 1.25).

Hawaii has the opportunity to lead in the electrification of transportation. We have many reasons for doing so – to contribute to the healing of our planet, to enable energy independence, and to improve the quality of life of Hawaii's residents. HB2493 offers a way to achieve this.

Thank you for your support of this measure.

Thank you,

Noel Morin

President

Hawaii Electric Vehicle Association, Big Island Electric Vehicle Association

LATE



Testimony of Kimo Haynes,
President of the Hawaii Petroleum Marketers Association

OPPOSING HOUSE BILL 2493, RELATING TO CARBON EMISSIONS REDUCTION

House Committee on Transportation
The Honorable Henry Aquino, Chair
The Honorable Troy Hashimoto, Vice Chair

House Committee on Energy & Environmental Protection
The Honorable Nicole Lowen, Chair
The Honorable Tina Wildberger, Vice Chair

Tuesday, February 4, 2020 at 11:00 a.m.
Hawaii State Capitol, Conference Room 325

Chairs Aquino and Lowen, Vice Chairs Hashimoto and Wildberger, and members of both Committees,

I am Kimo Haynes, president of the Hawaii Petroleum Marketers Association (“HPMA”). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands. Our membership includes individuals and companies who operate as independent marketers, jobbers or distributors of petroleum products and who buy liquid motor fuel products at the wholesale level and sell or distribute products to retail customers, other wholesalers, and other bulk consumers.

House Bill 2493, Relating to Carbon Emissions Reduction would establish a clean vehicle special fund by assessing a one-time tax during the purchase of gasoline-powered vehicles that fall within the miles-per-gallon thresholds established in this bill. Funds deposited into this special fund would be used to provide rebates to purchasers of electric vehicles.

HPMA opposes HB 2493.

Although the bill’s goal of reducing carbon emissions is laudable, HB 2493 would create yet another tax on users of gasoline for yet another special fund to further reward purchasers of EVs, some of whom have other reasons besides receiving another rebate for purchasing an electric vehicle. Neither is moving drivers of gas-powered vehicles to EVs a clear incentive in a location where the EV charging infrastructure is extremely limited, the availability of EV vehicles to purchase is limited, and free EV charging in the public domain is unsustainable.

Opposition to HB 2493, Relating to Carbon Emissions Reduction
House Committee on Transportation
House Committee on Energy & Environmental Protection
Hawaii State Capitol, Room 325
Tuesday, February 4, 2020 at 11:00 a.m.
Page 2

HPMA does not believe the intent of this bill is to further tax hard-working families and individuals trying to make a living in one of the most expensive places to live in the United States. Still, people who drive large sedans, SUVs and trucks have their reasons, and a tax on purchasing those vehicles will likely impact families of modest means the hardest.

Thank you for allowing HPMA the opportunity to submit written testimony on this bill.



HB 2493, RELATING TO CARBON EMISSIONS REDUCTION

FEBRUARY 4, 2020 · HOUSE ENERGY AND ENVIRONMENTAL PROTECTION COMMITTEE AND HOUSE TRANSPORTATION COMMITTEE · CHAIRS REP. NICOLE E. LOWEN AND REP. HENRY J.C. AQUINO

POSITION: Support.

RATIONALE: IMUAlliance supports HB 2493, relating to carbon emissions reduction, which establishes a clean vehicle special fund to incentivize the purchase of vehicles that produce less carbon emissions by providing a rebate and creates a graduated gasoline-powered vehicle tax to be paid by purchasers of a passenger car or pickup truck that is powered solely by gasoline and obtains only a certain number of miles per gallon.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding.

Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring, like seawalls.

Furthermore, according to research conducted by Michael B. Gerrard from Columbia Law School, modern-day slavery tends to increase after natural disasters or conflicts where large numbers of people are displaced from their homes. In the decades to come, says Gerrard, **climate change will very likely lead to a significant increase in the number of people who are displaced and, thus vulnerable, to human trafficking.** While the Paris Climate Agreement of 2015 established objectives to limit global temperature increases and several international agreements are aimed at combating modern-day slavery, it is highly uncertain whether they will be adequate to cope with the scale of the problem that is likely to occur as a result of climate change.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Therefore, **our state must take bold steps to address the worsening climate crisis, which is exacerbated by a transportation sector that is still too heavily reliant on fossil fuels, like oil and natural gas.** According to the U.S. Energy Information Administration, the burning of fossil fuels was responsible for 76 percent of U.S. greenhouse gas emissions in 2016. These gases contribute to the greenhouse effect and are a primary driver of the pending climate catastrophe.

Honolulu and Maui Counties recently announced lawsuits against fossil fuel companies for the role they have played in the climate crisis. Just like with tobacco and pharmaceutical companies, fossil fuel corporations are being held financial accountable for taking reckless actions that jeopardized public health. At the same time, we should work to **divest our state's transportation sector from contributing to global harm by taking steps to incentivize the public purchase of electric vehicles and ensure that government vehicles are part of Hawai'i's pathway toward reducing carbon emissions, ultimately bankrupting the businesses that have placed our planet in peril and helping to limit global warming below 1.5 degrees Celsius.**

For the sake of our overheating Earth, we cannot afford to wait.



P.O. Box 37158, Honolulu, Hawai'i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON TRANSPORTATION

Rep. Henry J.C. Aquino, Chair

Rep. Troy N. Hashimoto, Vice Chair

COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Rep. Nicole E. Lowen, Chair

Rep. Tina Wildberger, Vice Chair

DATE: Tuesday, February 4, 2020

TIME: 11:00 a.m.

PLACE: Conference Room 325

HB 2493 RELATING TO CARBON EMISSIONS REDUCTION

SUPPORT

Aloha Chairs Aquino and Lowen, Vice Chairs Hashimoto and Wildberger, and Members of the Committees

Life of the Land is Hawai'i's own energy, environmental and community action group advocating for the people and `aina for 50 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

The preamble is correct, “the human-induced global climate crisis requires thoughtful but bold responses on multiple fronts to make Hawaii’s communities resilient to the impacts of storms, floods, fire, and sea-level rise that threaten the very survivability of these fragile islands.”

The proposed tax is on sales not usage. It targets residential buyers but exempts large corporations. Buyers get tax breaks on new vehicles even if they give the old gas guzzler to their kids.

There is a problem with the preamble.

Hawai`i is not among the top 20 states with the greatest percentage of renewable-based electricity.

What we lead in is (a) on-site solar penetration and (2) variable resource penetration on isolated grids without large hydroelectric facilities.

Every place that has a 100% goal has a different definition of renewable energy. Many places have different definitions of 100%.

We do not have a 100% renewable electricity goal. We can achieve our 100% RPS target while generating half of the grid-based electricity using coal.

Mahalo

Henry Curtis
Executive Director

HB-2493

Submitted on: 2/3/2020 11:06:43 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Justin R Carvalho	Mission Zero Hawaii	Support	No

Comments:

Aloha,

My name is Justin Carvalho of Lihue, HI. I am the owner and operations manager for Mission Zero Hawaii, An Electric Car Rental and Green Solutions Company for Hawaii.

We are in support of the this bill and look to further push green transportation and green initiative to protect and invigorate Hawaii's social, economic, and environmental needs.

Thank you for your attention,

Justin Carvalho, Mission Zero Hawaii

8082370242 . www.missionzerohawaii.com

HB-2493

Submitted on: 1/31/2020 9:30:58 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alexandra Kahn	Surfrider Oahu	Support	No

Comments:

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLES; Carbon Emissions Reduction

BILL NUMBER: HB 2493; SB 3022

INTRODUCED BY: HB by LOWEN, AQUINO, HASHIMOTO, KITAGAWA, C. LEE, MIZUNO, NAKASHIMA, OHNO, PERRUSO, TAKUMI, TARNAS, THIELEN, TODD, WILDBERGER, WOODSON, YAMANE, Morikawa, San Buenaventura; SB by KOUCHI (Introduced by request of another party)

EXECUTIVE SUMMARY: Establishes a clean vehicle special fund to incentivize the purchase of vehicles that produce less carbon emissions by providing a rebate. Creates a graduated gasoline-powered vehicle tax to be paid by purchasers of a passenger car or pickup truck that is powered solely by gasoline and obtains only a certain number of miles per gallon.

SYNOPSIS: Adds a new section to chapter 196, HRS, to establish the clean vehicle special fund. The fund is to be used by DBEDT to provide rebates on new electric vehicles that have a manufacturer's suggested retail price of \$40,000 or less.

Adds a new section to chapter 237, HRS, to impose an additional tax on the sale of a passenger car or pickup truck that is powered solely by gasoline. The additional tax on the gross proceeds of sale would be:

ADDITIONAL TAX	VEHICLE MILES PER GALLON BASED ON EPA COMBINED RATINGS
3%	Less than 20
2%	At least 20, less than 24
1%	At least 24, less than 29

The tax is not to apply to a vehicle that is used solely for commercial or agricultural purposes.

Provides that DBEDT may adopt rules to effectuate the purposes of this section.

EFFECTIVE DATE: July 1, 2020.

STAFF COMMENTS: The proposed measure would perpetuate the earmarking of GET revenues. Use of electric vehicles may provide some benefit to the State's environment. But does that justify grabbing a pot of GET money without going through the normal budgeting process that also considers sweltering primary schools, underfunded state pensions, or disaster relief for rain-flooded or lava-burnt counties?

Rather than the continual earmarking of revenues, a direct appropriation of general funds would be preferable. Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

Next, it should be remembered that revenues diverted for a special purpose, in this case to fund clean energy-related expenditures, will not be counted against the state's spending ceiling or debt limit and will obscure the state's true financial condition.

As a technical matter, we suggest that the language clarify whether a hybrid electric vehicle is intended to be eligible for this tax. Such a vehicle uses no fuel other than gasoline, although it does generate and store electricity from kinetic energy.

Also as a technical matter, we suggest that the Department of Taxation be given authority to adopt any implementing rules, because that department has jurisdiction over the General Excise Tax Law.

Digested 1/31/2020



TESTIMONY REGARDING HB 2493

**being heard jointly by the House Committee on Transportation and the House Committee on Energy
and Environmental Protection**

on Tuesday, February 4, 2020 at 11:00 AM

Aloha Chair Aquino, Chair Lowen and Members of the Committees:

Thank you for the opportunity to provide input on HB 2493 which would establish a clean vehicle special fund to provide an up-front rebate for the purchase of an electric vehicle.

Tesla's mission is to accelerate the world's transition to sustainable energy through the deployment of electric vehicles and sustainable energy products, like storage and solar energy systems. Tesla is the only domestic mass-market automobile manufacturer that exclusively builds and sells electric vehicles. To date we have sold over 900,000 electric vehicles globally.

In 2018, the state of Hawaii established an ambitious goal to eliminate the use of fossil fuels from ground transportation by 2045, recognizing the profound public health, economic, energy security and environmental challenges that dependency on fossil fuels imposes on Hawaii and its residents. Bringing this pledge to fruition will not happen absent concerted efforts by policy makers. Measures like HB 2493 have a critical role to play.

Tesla applauds the "feebate" construct of this measure. Absent direct carbon pricing, Tesla supports other policies to internalize the full environmental, public health, and economic impacts of fossil fuel consumption. This bill provides both the disincentive to buying polluting technology and an incentive to shift customers to vehicles that are more efficient and better for Hawaii's public health and economy.

Tesla is concerned that the total cost of ownership of an electric vehicle isn't being contemplated in this bill. A conservative estimate of fuel savings of buying a Tesla Model 3 rather than a fossil fuel powered vehicle is \$12,000 over 10 years of ownership in Hawaii. Unfortunately, most consumers assume an incredibly high discount rate and do not fully internalize those savings. Instead the vast majority of consumers look at an up-front cost that may be higher for a long range electric vehicle, despite the fuel and service savings over the life of the vehicle.

At the proposed MSRP cap level, Hawaii would be eliminating long range versions of the most transformational vehicle to emerge in decades and certainly the most successful electric vehicle – the Tesla Model 3. Additionally, the proposed cap would exclude Tesla's Model Y, a small SUV that will be available for purchase this year, from qualifying. SUVs are among the most popular vehicles on the road and are generally more emissive than sedans. According to the Hawaii Auto Dealers Association, as if



June 2019 SUVs made up 44% of the vehicle market share in Hawaii.¹ As such it will be important to create a program that includes electric alternatives to customers that are specifically looking to buy this type of vehicle. Limiting the number of eligible long-range vehicles will confound Hawaii's laudable goals to tackle climate change and local air pollutants that disproportionately impact low income and vulnerable populations. Some states and provinces in North America have similar programs, and we would urge the legislature to look at those efforts to avoid the pitfall of limiting the uptake of this program. Doing so would ultimately curb the effectiveness of the program in meeting the state's ambitious goals. Several other states, including for example, Maryland, California, Delaware and New York, all have some type of purchase price cap for their electric vehicle incentive program of \$60,000. Consumers should have a broad range of options available to them, especially of the long-range vehicles that can be the sole vehicle for a family and will negate the need for a household fossil fuel vehicle.

The current definition of electric vehicles is also problematic as it includes plug-in hybrid vehicles which have up to 95% of their range powered by a fossil fuel engine. For those supporters of this bill who want to see bold action on climate, imagine incenting a power plant that is 95% coal and only 5% renewable energy. Tesla would recommend modifying the definition of electric vehicle for purposes of eligibility for the proposed rebate such that qualifying vehicles must be all electric. This will ensure that the state is only incenting vehicles that are wholly consistent with the objective of eliminating reliance on fossil fuels from ground transportation. To address this Tesla recommends modifying the definition of electric vehicle contained in this measure as follows (underlined text indicates additions, strikethrough text indicated deletions):

(c) For the purposes of this section:

"Electric vehicle" shall have the same meaning as in 16 section 291-71 means a vehicle, with four or more wheels, that draws propulsion energy exclusively from a battery and that can be recharged from an external source of electricity.

The intention of this bill is to tackle climate change, but the specifics of the bill would make it the country's most restrictive incentive program in terms of long-range electric vehicle choice, while also being the least restrictive in terms of allowing many primarily fossil-fuel powered vehicles. We hope the state of Hawaii will amend this bill to keep Hawaii in a leadership position on climate change.

Thank you for the opportunity to submit this testimony.

¹ Hawaii Dealer; 2019 Summer Edition, pg. 23. Available at https://issuu.com/traveler-media/docs/2019_summer_edition_hawaiidealer



Email: communications@ulupono.com

HOUSE COMMITTEES ON TRANSPORTATION AND ENERGY AND ENVIRONMENTAL PROTECTION
Tuesday, February 4, 2020 — 11:00 a.m. — Room 325

Ulupono Initiative supports HB 2493, Relating to Carbon Emissions Reduction.

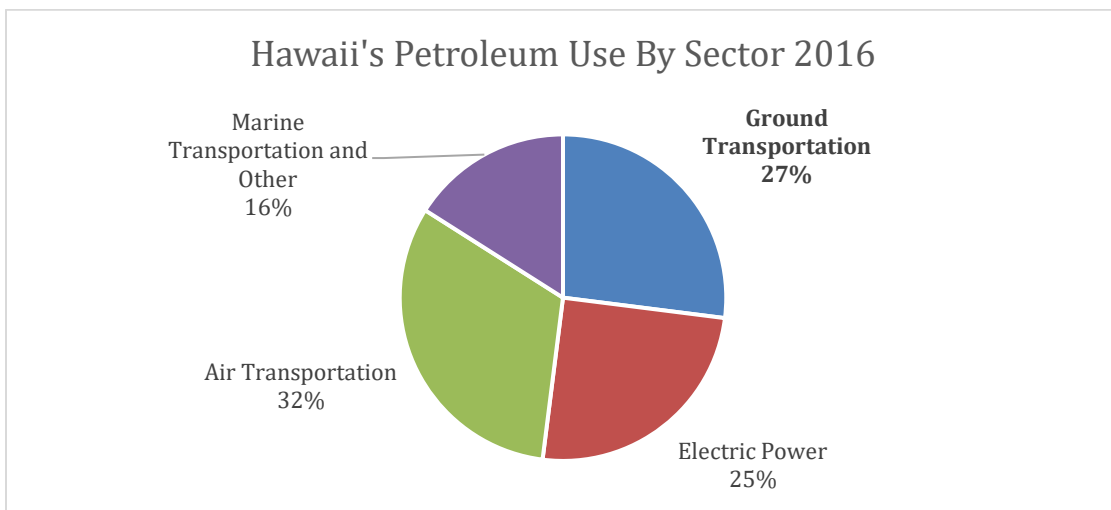
Dear Chair Aquino, Chair Lowen, and Members of the Committees:

My name is Amy Hennessey, and I am the Senior Vice President of Communications & External Affairs at Ulupono Initiative. We are a Hawai'i-based impact investment firm that strives to improve our community's quality of life by creating more locally produced food; increasing affordable clean renewable energy and transportation options; and better managing waste and fresh water resources.

Ulupono supports HB 2493, which establishes a clean vehicle special fund to incentivize the purchase of vehicles that produce less carbon emissions by providing a rebate. It also creates a graduated gasoline-powered vehicle tax to be paid by purchasers of a passenger car or pickup truck that is powered solely by gasoline and obtains only certain number of miles per gallon.

Ulupono supports energy efficiency measures to lower consumption across the State. 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.

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

Investing in a Sustainable Hawai'i

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.

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.

Thank you for this opportunity to testify.

Respectfully,

Amy Hennessey, APR
Senior Vice President, Communications & External Affairs

HB-2493

Submitted on: 2/3/2020 7:13:12 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dr Marion Ceruti	Individual	Oppose	No

Comments:

This bill is based on very bad assumptions. It is both useless, and unfair. It increases taxes in a state where vehicle ownership and operation is among the most expensive in the United States. Hawai'i already ranks among the states with the cleanest air. Therefore, this bill is not necessary. Moreover, it will have a disproportionate impact on poor people who are already struggling to make ends meet in Hawai'i. It is bills like this that increase the number of people moving away from the State of Hawai'i leaving those who remain behind to shoulder the burden of yet higher and higher taxation. Stop this now. Vote NO on HB2493.

HB-2493

Submitted on: 2/3/2020 3:47:52 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

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

Comments:

HB-2493

Submitted on: 2/3/2020 2:04:26 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Glenn DelCarmen MD	Individual	Support	No

Comments:

I'm in full support of HB2493 and urge my congressional representatives to likewise approve this bill as an additional incentive to increase the transition from gasoline and diesel vehicles to environmentally cleaner and renewable electric consumer vehicles.

I have demonstrated my household dedication to a cleaner and energy sustainable future by becoming an early adopter of electric vehicles and incorporating photovoltaic solar roof panels over the last 6 years. State and federal tax incentives were integral to my financial ability to do so.

I truly believe that with Hawaii's uniquely challenging economic landscape, continued state sponsored tax incentives are imperative if the state is to meet its goal of energy self sustainability within the next decade.

Please join me with your supportive vote for HB2493.

Glenn DelCarmen MD

Hawaiiikai

HB-2493

Submitted on: 2/3/2020 12:59:07 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald FitzGerald	Individual	Support	No

Comments:

Please support this HB2493 as we need to help the adoption of more EV's for our State as we need to protect our Aina.

Thank you for your support,

HB-2493

Submitted on: 2/3/2020 10:55:27 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

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

Comments:

I am lucky enough to currently drive a Battery Electric Vehicle (BEV). I used my retirement money to purchase a vehicle in 2016. While I have seen more Plug-In Hybrid Electric Vehicles (PHEV) and BEVs on the road since then, there needs to be more, much more support for these vehicles. The exhaust fumes from all of the gasoline and especially the diesel engine cars, trucks and buses are not only annoying but dangerous to our health. I don't like walking in town or Waikiki because of the noise and terrible emissions from non-electric vehicles.

This bill is a good step forward towards making more Internal Combustion Vehicles (ICE) extinct. I recognize the need to source the funding and think the increase tax on ANY GAS vehicle is a good idea. Capping the purchase price of both electric and ICE to fund the incentive is a reasonable compromise.

I support this bill and encourage it's adoption.

HB-2493

Submitted on: 2/3/2020 12:53:29 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
albert fung	Individual	Support	No

Comments:

As the cost of fuel rises, electric vehicles are the best choice for transportation in Hawaii, as such I have purchased solar PV years ago in preparation for purchasing an EV. People will need to be incentivized to purchase an EV as the prices are generally higher to purchase one.

HB-2493

Submitted on: 2/2/2020 12:22:35 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrew Richard Kass	Individual	Support	No

Comments:

Aloha Committee Members,

Rebates and purchase incentives for electric vehicles really work! California offered these EV and PHEV rebates for several years, and for a consumer survey 58% of EV buyers responded that they would not have purchased/leased their EV without rebate. The rebates were \$1,500â€-\$4,500, 45,000 participants responded 23% of whom had little or no prior knowledge or interest in EVs. Please help Hawaii reach their goal of 100% renewables!

I got most of the information referred to above from the California Center for Sustainable Energy:

<https://energycenter.org/expertise/clean-transportation> and

https://cleanvehiclerebate.org/sites/default/files/attachments/MktSeg_Roadmap12_v2019-12-05.pdf

Mahalo

Anrew Kass

302 Makani Rd

Kapaa, HI 96746

808-822-1794

HI resident since 2003, EV owner since 2014

LATE

HB-2493

Submitted on: 2/3/2020 9:19:07 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Lee	Individual	Support	No

Comments:

LATE

HB-2493

Submitted on: 2/3/2020 9:56:34 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Miller	Individual	Support	No

Comments:

As an EV owner/driver, I am submitting testimony in support of HB 2493. This bill introduces a rebate for the purchase of an electric vehicle priced up to \$40,000. The program will be funded through a tax on the purchase of gas vehicles rather than from state funds.

Increasing the adoption of EVs means expanding access to affordable models. Given the central role of EVs in achieving the state's climate limits, this is a critical issue that must be dealt with by the legislature immediately.

While many EV drivers were early adopters, tech enthusiasts and people with high incomes, their initial investments have driven down costs and made these vehicles more accessible. To encourage and continue this trend, it is imperative that further economic incentives such as the rebates introduced by HB 2493 be implemented.

Widespread electrification is necessary to achieve the goal of Hawaii's zero emissions clean economy by 2045. To meet that challenge, EVs must be made accessible to all drivers. By providing rebates to purchasers of electric vehicles, the state's reliance on fossil fuels will be greatly diminished.

I encourage the legislature to support HB 2493 to allow EVs to reach the majority of consumers.

Respectfully,

Gary Miller, EV Owner, Big Island Hawaii

HB-2493

Submitted on: 2/3/2020 10:14:01 PM

Testimony for TRN on 2/4/2020 11:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Paula Miller	Individual	Support	No

Comments:

As an EV owner/driver, I am submitting testimony in support of HB 2493. This bill introduces a rebate for the purchase of an electric vehicle priced up to \$40,000. The program will be funded through a tax on the purchase of gas vehicles rather than from state funds.

Increasing the adoption of EVs means expanding access to affordable models. Given the central role of EVs in achieving the state's climate limits, this is a critical issue that must be dealt with by the legislature immediately.

While many EV drivers were early adopters, tech enthusiasts and people with high incomes, their initial investments have driven down costs and made these vehicles more accessible. To encourage and continue this trend, it is imperative that further economic incentives such as the rebates introduced by HB 2493 be implemented.

Widespread electrification is necessary to achieve the goal of Hawaii's zero emissions clean economy by 2045. To meet that challenge, EVs must be made accessible to all drivers. By providing rebates to purchasers of electric vehicles, the state's reliance on fossil fuels will be greatly diminished.

I encourage the legislature to support HB 2493 to allow EVs to reach the majority of consumers.

Respectfully,

Paula A. Miller

HB-2493

Submitted on: 2/3/2020 11:26:50 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bernard M Moret	Individual	Support	No

Comments:

Dear representatives,

My wife, Carol Fryer, and I, Bernard Moret, both registered voters in the County of Hawaii, would like to add our enthusiastic support for HB 2493 and urge you to vote for it. Road transport accounts for about 1/3 of the carbon emissions in the state, so reducing the use of fossil fuel in road transport is an essential component of the state's goals for the next 10 years. Personal transportation is a significant component of road transport and the only one with a reasonable choice of battery electric vehicles (BEVs) at present. These vehicles not only do not emit any pollution while running, but they use energy (currently produced mostly from fossil fuels on the Big Island) far more efficiently than cars with internal combustion engines (ICE): most current models of battery-electric vehicles achieve well over 100mpg equivalent, making them at least 3 times more efficient in their use of energy than diesel or gasoline cars. In addition, these electric vehicles do not use any engine oil (no issues of disposal), are nearly silent (no noise pollution), are far safer than ICE cars (latest figures show a 3:1 risk reduction) thanks to more advanced control of their motors and their inherently low center of gravity, and are designed to last for half a million miles or more (far less of a burden for disposal of old vehicles). Thus not only is adoption of BEVs necessary to fulfill the state's goals for a clean environment, but this adoption will also come with a host of additional benefits.

There are two main issues at present that are slowing widespread adoption of these BEVs: their cost (and the lack of a used market) and the limited charging infrastructure in the state. HB 2493 is an exemplary initiative to tackle the issue of costs, by providing financial incentives for low- and middle-income families and placing the financial burden where it belongs, on the worst carbon-emitting personal vehicles on the road. The incentives need not last for more than 5-6 years, since the current ramping up of production of BEVs by most manufacturers means that less expensive models will soon become available, while the increased adoption will help create a used market for BEVs. Yet these 5-6 years are crucial to the well being of all Hawaii residents, as evidenced by the fact that gasoline consumption for ICE cars actually increased over the last year: we really need the state to take steps to facilitate the transition to BEVs, so please vote in favor of HB 2493.

Respectfully submitted,

Carol Fryer and Bernard Moret

HB-2493

Submitted on: 1/31/2020 8:42:04 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Victor K. Ramos	Individual	Oppose	No

Comments:

Strongly oppose. May interfere with purchase options for a lot of people who simply cannot afford nor desire to own electric vehicles.

HB-2493

Submitted on: 2/3/2020 10:40:28 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert L Shaw	Individual	Support	No

Comments:

Increasing incentives for clean-energy vehicle purchases will help to reduce dependence on fossil fuels for a sustainable future. Our children deserve clean air and a better future than we have provided - this bill is a crucial step in the right direction and serves as a clear message that we do care about the generations that will follow.

The tide of opposition is turning and our thought processes need to turn with it.

HB-2493

Submitted on: 2/3/2020 4:39:41 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Roy Skaggs	Individual	Support	No

Comments:

I am a Tesla driver and the rebate really made the difference on me buying an electric car. I use my solar at home to charge my car. We should encourage more of this! Please support HB2493.

HB-2493

Submitted on: 2/3/2020 3:54:29 PM

Testimony for TRN on 2/4/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
G Tom	Individual	Support	No

Comments:

HB-2493

Submitted on: 2/3/2020 11:11:05 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

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

Comments:

As an EV owner, I can affirm that a subsidy does indeed influence the decision to purchase an EV. If it is the policy of this state to reduce/eliminate dependence on fossil fuels, it should encourage EV adaption. A subsidy would be an important part of encouraging EV adaption.

HB-2493

Submitted on: 2/3/2020 11:15:43 AM

Testimony for TRN on 2/4/2020 11:00:00 AM

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

Comments:

Aloha Chairs Aquino, Hashimoto, Lowen, Wildberger and respective committee members,

I am writing in strong support of HB 2493 which provides for a rebate for the purchase of an electric vehicle priced up to \$40,000.

As the climate crisis is becoming more and more critical, we need to proactively combat the impact of fossil fuels and carbon emissions from gas-powered vehicles on our climate and environment and promote usage of electric vehicles.

While in the past, the availability of EVs and mass affordability has been limited, all major car companies currently offer or are promoting EVs in their product lines. This availability and diversity has made owning an EV more affordable. However, the cost of electric vehicles is still considered a barrier to adoption, especially for residents who are price-conscious. A rebate for the purchase of an electric vehicle will incentivize residents to make the shift from gas to electric.

The proposed funding mechanism for this rebate via a fee on high-priced gas powered vehicles alleviate the need to find funding via government coffers, while providing an impetus for the growth of electric vehicles.

I would like to offer for consideration the following amendments to this bill that could further EV adoption and the State's Clean Transportation goals:

- 1) Provide a sliding scale of incentives with the highest rebate for pure-electric vehicles. The rebate would be lower for Plug-in Hybrid EVs.
- 2) Also offer the rebate for car leases as a means to further increase affordability.
- 3) Offer a tiered rebate based on household income (a larger amount for lower-income households).

Thank you for your consideration.

Respectfully submitted,

Nanette Vinton

EV owner

Mililani, HI 96789