

DAVID Y. IGE  
GOVERNOR



**TESTIMONY BY:**

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
LYNN A.S. ARAKI-REGAN  
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**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 8, 2019  
2:00 p.m.  
State Capitol, Room 225

**S.B. 1278**  
**RELATING TO ELECTRIC VEHICLES**

Senate Committee(s) on Transportation  
& Energy, Economic Development and Tourism

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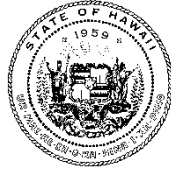
The Department of Transportation strongly **supports** this Administration bill which aims to provide electric vehicle (EV) incentives that are fair to all users of public parking facilities.

To better manage State parking facilities, the DOT proposes to waive the first 4 hours of parking for EV's. After 4 hours, EV's will be subject to pay for the duration of parking.

The DOT offers charging stations at its airports which are often occupied by EV's for extended periods past adequate charging. Free EV parking is unlimited and the DOT estimates \$3.5 million of loss revenue at Daniel K. Inouye International Airport alone.

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

TESTIMONY  
OF  
CURT T. OTAGURO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
SENATE COMMITTEES  
ON  
TRANSPORTATION/ENERGY ECONOMIC DEVELOPMENT AND TOURISM  
ON  
FEBRUARY 8, 2019, 2:00 P.M.  
CONFERENCE ROOM 225, STATE CAPITOL

S.B 1278  
RELATING TO ELECTRIC VEHICLES

Chairs Inouye and Wakai, Vice Chairs Harimoto and Taniguchi, and Members of the Committees, thank you for the opportunity to testify on S.B.1278

The Department of Accounting and General Services (DAGS) offers comments on S.B. 1278 which clarifies provisions on electric vehicle parking.

Act 168 Session Laws of Hawaii 2012 exempts Electric vehicles for certain parking fees collected by State and County agencies. This law was enacted to encourage the adoption of the purchase of Electric Vehicles. Studies show consumers would purchase these vehicles as pricing and driving range improves. We feel the law has served its intended purpose.

Please note the current law allows electric vehicle to move from one metered stall to another in the same Parking lot to avoid parking fees. This is abuse of parking privilege that Electric Vehicle owners are taking advantage of in all areas. This abuse takes away valuable public parking stall from legitimate users who need to do business in the area when personal EVs are parked in the area for the whole day.

**DAGS agrees with the proposed 4-hour limitation of parking stall use for non-metered parking and adding provisional restriction language of “The electric car is limited to the initial 4 hours free parking regardless of whether the electric car is parked in a single stall or in successive stalls in the same lot”. DAGS also suggest adding a time limit of 2.0 hours maximum use per day parking limitation in any state or county meter. This 2.0-hour daily restriction applies regardless whether electric car is parked in single metered stall or in successive metered stalls. The restrictions in both non-metered and metered parking would address the abuse occurring now in parking lots state wide. Also note that free EV parking accounts for \$15-20 K of loss per month for the DAGS parking program.**

Thank you for the opportunity to testify on this matter



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SENATE COMMITTEES ON TRANSPORTATION AND ENERGY, ECONOMIC DEVELOPMENT,  
& TOURISM

Friday, February 8, 2019 — 2:00 p.m. — Room 225

### **Ulupono Initiative Opposes SB 1278, Relating to Electric Vehicles**

Dear Chair Inouye, Vice Chair Harimoto, Chair Wakai, Vice Chair Taniguchi, and Members of the Committees:

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

**Ulupono opposes SB 1278**, which limits existing parking benefits for electric vehicles, because it discourages the use of more efficient, cleaner forms of ground transportation.

Though we appreciate the State's perspective and concern about loss parking revenue, it is also important to recognize that electric vehicles (EVs) are an avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. The State should take a holistic approach to advance our energy and environmental goals, including a consistent demonstration of support for EVs, and should be cognizant of the negative impacts that this bill may cause.

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

- EVs are cheaper to maintain and operate than internal combustion engine (ICE) vehicles and comparable in upfront cost with top selling sedans, such as the Toyota Camry and Honda Civic
- EVs provide immediate impact to reduce our dependence on fossil fuels and decrease greenhouse gas (GHG) emissions

### **EV Market Is Too Nascent For Policies That Hinder Adoption**

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 limiting existing benefits for EVs, and Hawai'i must encourage this promising market.

*Investing in a Sustainable Hawai'i*

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. 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.

### **The True Cost of The EV Parking Benefit For the Airport is Likely Negligible**

During the last legislative session, testimony suggested state and county parking facilities were losing revenue due to EVs, particularly at the Daniel K. Inouye International Airport. The State and Counties should not expect to recover significant proceeds with the passing of this bill. A number of EV owners utilize the state and county parking facilities only because of the exemption from parking fees. With the proposed four-hour limitation, EV drivers will simply not park at these facilities anymore. The vast majority of drivers will revert back to being dropped off and picked up at the airport. To be fair, some business travelers that drive EVs (a fraction of the current 6,500 EVs on Oahu) may not change behavior. Given that EVs are currently less than one percent of all vehicles on the road, the true financial impact and cost of the EV parking benefit is arguably minimal.

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

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

Alternatively, there are a number of proposed bills that show strong support for EV adoption, including a rebate/tax credit for investing in EV charging infrastructure. We implore the members of the committees to consider all of the bills holistically in light of the State's commitments to clean energy and the environment. By balancing bills that will hinder EV adoption with those that would 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 these committees' efforts to look at policies that support clean ground transportation. Thank you for this opportunity to testify.

Respectfully,

Murray Clay  
Managing Partner



**TESLA'S TESTIMONY IN OPPOSITION TO SB 1278**

**being heard by the Senate Committees on Transportation and  
Energy, Economic Development, and Tourism  
on Friday, February 8, 2019 at 2:00 p.m.  
Room 225**

Aloha Chairs Inouye and Wakai and Members of the Committees:

Thank you for the opportunity to provide testimony regarding SB 1278, which would limit the parking fee exemption provided to electric vehicles (EVs) pursuant to Act 168. Tesla opposes this bill because it fails to extend the sunset date for these provisions and thus does nothing to advance efforts to increase EV adoption in the State.

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.

This bill seeks to limit the current exemption from parking fees that EVs are currently provided pursuant to Act 168. While Tesla is agnostic regarding the proposed language to scale back this particular benefit, it is disheartening that the bill only seeks to erode EV benefits and the support such benefits provide to encourage EV adoption without taking any steps to advance the State's unambiguous interest in increasing the use of EVs.

As we start to see the Federal Electric Vehicle Tax Incentive step down and eventually go away completely, state policies, like those embodied by Act 168 have a more important role to play in driving EV adoption. Although it may be reasonable to limit the parking fee exemption as proposed in this measure, absent other positive proposals that function to support EV adoption, Tesla is concerned that Hawaii may be moving in the wrong direction when it comes to EV policy.

Tesla believes this bill could be amended to address this concern, by, for example, also including language that extends the current sunset date for the provision of the Act 168 benefits to 2030. This would represent a more balanced approach that, when taken as a whole, would be more consistent with broader State policy interests and objectives.

Thank you for the opportunity to submit this testimony.

**SB-1278**

Submitted on: 2/7/2019 12:52:13 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Paxton Jerry	Testifying for Tesla	Oppose	No

Comments:

**SB-1278**

Submitted on: 2/6/2019 8:29:12 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephen Levins	Individual	Comments	No

Comments:

Dear Chair Inouye and Chair Wakai,

I support the provision extending the sunset date of Act 168 but recommend allowing for a period of 12 hours for the initial use of parking at a non-metered parking stall.

Thank you.



**SB-1278**

Submitted on: 2/7/2019 10:59:23 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

## Comments:

Hawaii is very far off from seeing EV as mainstream. We need to continue to support the EV market if indeed Hawaii is to achieve its sustainable goals that have been set for the state. The advantages offered to the EV owner significantly effect the market place and thus we should oppose this bill as this bill significantly eliminates one of the big advantages to owning an EV.

Thank you,

Kevin Kern

**SB-1278**

Submitted on: 2/7/2019 10:58:42 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

## Comments:

I oppose limiting the parking benefit for EVs. The parking benefit is one of the key incentives for owning an Electric Vehicle. Unless there is a serious threat to revenues by the continuance of the present EV parking benefit, the benefit should continue if it is the policy of the state to reduce engine emissions and fight climate change.

**SB-1278**

Submitted on: 2/7/2019 10:57:42 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

## Comments:

I do think that there is enough clarity as to what is already in place. Electric vehicles with the appropriate license plates should continue to use the incentives in place as a way to promote adoption of this cleaner alternative to gas powered vehicles. I oppose this bill.

Timothy Kim, MD

**SB-1278**

Submitted on: 2/7/2019 11:46:19 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:

We are an Eco sensitive family of four that has chosen to go all electric for our transportation since 2017 beginning. We support any and all legislation that encourages progress towards sustainable energy and transportation methods for the environment and our kids.

We are doing our part. Our transportation is electric. Now it is the responsibility of the politicians to deliver.

Extending the incentives for electric vehicles will accelerate the progress towards a sustainable future for our kids.

Restricting the incentives will hinder the progress.

**SB-1278**

Submitted on: 2/7/2019 11:21:52 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:

I believe that this bill should not be passed and that there should not be a limit.

**SB-1278**

Submitted on: 2/7/2019 12:44:42 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:

Please oppose this bill because it does not extend the sunset date and it modifies the current EV parking benefit in a negative way.

**SB-1278**

Submitted on: 2/7/2019 12:58:53 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

## Comments:

I highly oppose thug's particular bill. It would remove one of the better benefits to owning an EV vehicle.; it was one of the reasons I decided to invest in an EV vehicle. Thank you.

**SB-1278**

Submitted on: 2/7/2019 1:18:16 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:



**SB-1278**

Submitted on: 2/7/2019 1:28:33 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:

**SB-1278**

Submitted on: 2/7/2019 1:03:48 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:

There should not be a time limit on the benefits for EV drivers.

**SB-1278**

Submitted on: 2/7/2019 1:12:06 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

## Comments:

I oppose this legislation because it does not support the use of electric vehicles which is so important to the environment.

**SB-1278**

Submitted on: 2/7/2019 2:00:23 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

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

Comments:

Honorable Chairs and Committee Members,

I am writing to oppose SB1278 which limits the EV free parking benefit for non-metered stalls to 4 hours.

I have been an EV owner for nearly 6 years and the free EV parking benefits are one of the reasons I have owned several EVs over the years versus buying a gas powered car.

While I understand that certain State departments are concerned with lost revenue from providing this EV ownership incentive, the number of EVs represent a very small fraction of the total vehicle population in Hawaii. And while I understand the need to define the benefit, I think a longer max amount of at least 8 hours would not make a marked difference in revenue generation.

Thank you for your consideration.

Respectfully Submitted,

Nanette Vinton

**LATE**

**SB-1278**

Submitted on: 2/7/2019 3:47:01 PM

Testimony for TRS on 2/8/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bernard M Moret	Individual	Oppose	No

Comments:

Dear Senators,

My wife, Carol Fryer, and I, both registered voters on the Big Island, would like to register our opposition to Senate Bill 1278. Senate Bill 657 properly addresses the matter by providing a straight extension of the EV incentives through 2030, but this bill does not address an extension.

Should some of the positive aspects of SB 1278 find their way into SB 657, however, we would be delighted.

Respectfully submitted,

Bernard Moret

**LATE**

**SB-1278**

Submitted on: 2/8/2019 8:54:32 AM

Testimony for TRS on 2/8/2019 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carlo A Daquanni	Individual	Oppose	No

Comments: