

Hawaii Electric Vehicle Association

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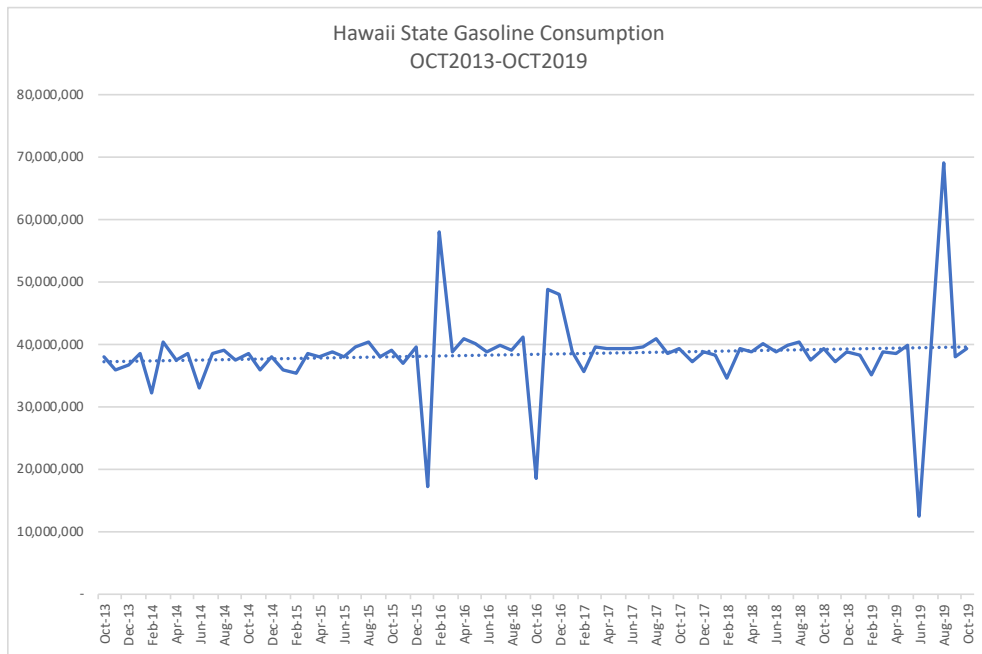
February 18, 2020

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Ways and Means Committee:

On behalf of the Hawaii Electric Vehicle Association, I'd like to offer **COMMENT** on SB3111 SD1.

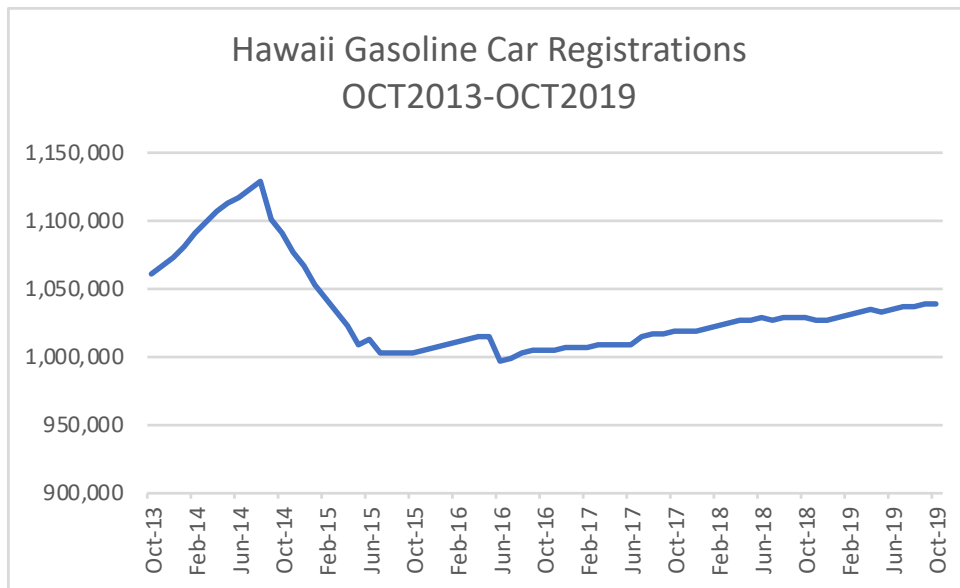
SB3111 SD1 further clarifies the definition of vehicles that must be subject to the annual ELECTRIC VEHICLE and ALTERNATIVE FUEL VEHICLE surcharge, a fee that is intended to offset the loss of gasoline revenue, introduced with SB409 in 2019.

The surcharge introduced by SB409 was intended to recover revenue lost as a result of 'declining' gasoline consumption and corresponding tax revenues. However, the data says otherwise - gasoline sales within the state have remained relatively flat.



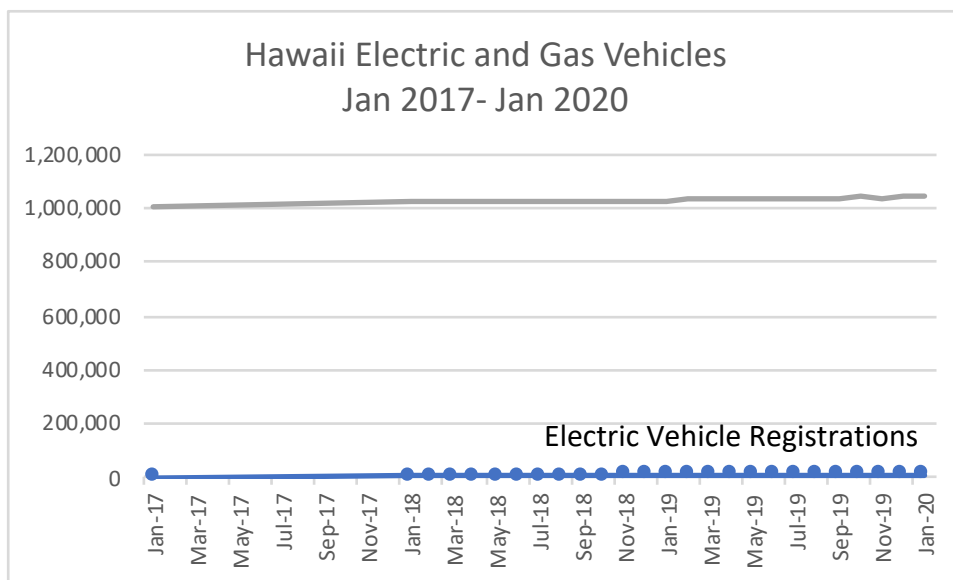
Source: DBEDT Monthly Energy Trends (<http://dbedt.hawaii.gov/economic/energy-trends-2/>)

Equally important, gasoline and diesel vehicle growth in the state continues to be strong. This continued growth suggests public preference for fossil-fuel vehicles, particularly larger, heavier SUVs and trucks. This is good for fuel tax revenues but bad for the environment and a hinderance to our state's clean energy and climate impact mitigation goals.



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

Electric vehicle registrations, meanwhile, continue to represent barely one percent (1%) of the overall passenger vehicle count in the state.



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

Looking forward, in terms of the percentage of electric vehicles on Hawaii roads, the most recent trend lines indicate electric vehicle ownership will continue to have an insignificant impact on fuel tax revenues and collections. At the same time, electric vehicle adoption is hampered by, among other things, higher vehicle purchase costs and greater electricity bills.

Importantly, the electric vehicle surcharge, introduced by the predecessor to **SB3111 SD1 (SB409)**, hinders the modest growth of electric vehicle ownership in Hawaii by adding to the cost-of-ownership burden. The existing surcharge for zero/low emissions vehicles is premature and counter-productive to Hawaii’s clean energy and climate management goals.

Transportation – ground, air, and sea – contribute significantly to Hawaii’s carbon emissions and the climate crisis. The electrification of transportation is an acknowledged key strategy in

reducing our dependency on fossil fuel and mitigating climate change. While electric vehicle adoption is slowly increasing in our state, it remains a tiny fraction of our passenger vehicles. We must do more to escalate the adoption.

The following quote summarizes well our climate action challenge and highlights our need to be aggressive in taking urgent action.

“The decarbonization of the road transport sector is increasingly seen as a necessary component to meet global and national targets as specified in the Paris Climate Accord. It may be achieved best by shifting from [Internal Combustion Engine](#) (ICE) cars to Electric Vehicles (EVs).

Our analysis shows that whilst EVs, coupled with a decarbonized power grid, are the best option for achieving long-term wide ranging decarbonization of the transport system, they will show little impact in the short term. The effects of accelerated EV adoption will only become significantly apparent after 2030 as the older, less efficient ICE (gas-diesel) vehicles are aged out ...”¹

Instead of rationalizing SB3111 SD1, we should take corrective measures by repealing SB409 or, at minimum, tabling the electric vehicle surcharge for future review, when electric vehicle adoption has **become significantly apparent**.

SB3111 SD1, and its predecessor SB409 seek to fix a problem that does not exist and will not exist for the foreseeable future.

Thank you for the opportunity to offer comment on this bill.

Sincerely,



Noel Morin
Hawaii Electric Vehicle Association

The Hawaii Electric Vehicle Association is a chapter of the Electric Auto Association (electricauto.org), a national organization dedicated to increasing adoption of electric vehicles. The Hawaii Electric Vehicle Association is represented by electric vehicle owners and advocates across the state.

¹ Published: Oct. 2019, UK, Engineering and Physical Sciences Research Council (EPSRC)
<https://www.sciencedirect.com/science/article/pii/S0306261919307834>

SB-3111-SD-1

Submitted on: 2/18/2020 12:19:11 PM

Testimony for WAM on 2/20/2020 10:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Phaethon Keeney	Individual	Oppose	No

Comments: