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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Friday, April 9, 2021
10:15 A.M.
State Capitol, Conference Room 211 &
via Videoconference

In SUPPORT of
HB 424 HD1 SD1
RELATING TO PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL.
(Written Testimony Only)

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports HB 424 HD1 SD1, which requires all agencies of the State, when renting a vehicle on behalf of a state employee conducting official government business, to adopt a preference for renting electric vehicles or hybrid vehicles; provided that such a vehicle is suitable for the specific travel requirements and available when needed.

HB 424 HD1 SD1 aligns with the State's efforts to expand strategies and mechanisms to reduce greenhouse gas emissions through the reduction of energy use, adoption of renewable energy, and control of air pollution among all agencies, departments, industries, and sectors, including transportation. The adoption and widespread deployment of electric vehicles (EVs) is an essential element needed to reduce Hawaii's dependence on fossil fuels. For Hawaii to meet its target to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045, programs that support the adoption of cleaner transportation options are necessary and tremendously important.

Requiring all state entities to prioritize the rental of EVs when renting a vehicle will put state agencies at the forefront of energy independence and greenhouse gas emissions reduction efforts. There are currently very few EVs or hybrid electric vehicles (HEVs) available for rent in Hawaii. This prioritization requirement will provide a considerable

impetus for vehicle rental contractors to add EVs and HEVs to their rental fleets. In 2019, state employees completed nearly 13,000 compact vehicle rentals. These rentals had an average duration of 1.5 days and averaged fewer than 200 miles travelled. This rental profile can be served by most standard EVs and HEVs currently available for sale.

There is no option in the current intra-state commercial car rental services agreement to rent EVs or HEVs. Executive Departments/Agencies, the Department of Education (excluding Charter Schools), Hawaii Health Systems Corporation, the Office of Hawaiian Affairs, the Judiciary, the City and County of Honolulu, the Honolulu City Council, the County of Kauai, the County of Maui, and the County of Hawaii are all required to utilize the price list contract to make their reservations for intra-state car rental services. Additionally, there are more than 60 nonprofit organizations qualified to participate in cooperative purchasing with the State. This allows these nonprofit organizations, with approval from the Contractor, to access the same vehicle rental categories and rates.

This bill provides an important market signal to prospective vehicle rental contractors, making it clear that demand for EV and HEV rentals currently exists, and the State is committed to renting these vehicles as they are incorporated into vehicle rental fleets. Committing to prioritize EV and HEV rentals this year should allow for EV and HEV rental options to be included and competitively priced in the next intra-state commercial car rental services procurement, which will occur later in 2021 or in 2022.

The potential budgetary impacts to individual agencies are mitigated by the bill's proposed amendment to Section 196-9 (c)(10)(C), which states that an agency shall exercise the policy preference for rental of an electric vehicle or hybrid vehicle provided that the cost premium is consistent with any budgetary constraints.

This bill will allow for the State to promulgate updated travel rules that require all state entities, when renting a vehicle on behalf of a state employee in the discharge of official government business, to rent electric or hybrid vehicles, in order of preference, provided that such a vehicle is suitable for the specific travel requirements and available when needed. HSEO is ready and able to support this effort.

Thank you for the opportunity to testify.

OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
MICHAEL A. DAHLIG, MANAGING DIRECTOR

Testimony of Ben Sullivan

Energy & Sustainability Coordinator, Office of Economic Development

Before the

Senate Committee on Ways and Means

April 9, 2021 10:15 am

Conference Room 211

In consideration of

House Bill 424 HD1, SD1

Relating to PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL

LATE

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

The County of Kaua'i **supports** HB 424 with one suggested amendment. HB 424 HD1 SD1 requires all state entities, when renting a vehicle on behalf of a state employee in the discharge of official government business, to rent electric or hybrid vehicles, in order of preference.

We suggest that this bill be revised to include County employees. Language that included County employees is available in the original version of the bill. This revision is important not only because it expands the number of car rentals subject to the provision, but also because the Counties currently utilize the State rental car contract when renting vehicles for their employees. Creating different requirements for State vs County employees may be impractical, and may negatively impact the contract pricing for both groups.

General Discussion:

The legislature has passed numerous laws supporting the adoption of electric vehicles over the last decade due to their many benefits and alignment with other State policies. However, conversion of visitor rental fleets has proven slow and elusive to date in part to a perceived, but untested lack of demand by visitors. This measure is an excellent means for the State and Counties to support private rental car contractors in moving towards our desired goals with regards to electrification.

With this policy, rental car contractors are provided a guaranteed market for at least a minimum number of electric vehicles at the rate established in the State contract. Once these vehicles are in the rental fleet inventory, they provide a means for testing visitor demand for EVs and incrementally increasing the number of EVs that rental contractors carry as that demand increases. This virtuous cycle may also spill over to EV charging, as hotels may wish to differentiate themselves by providing convenient EV charging for their guests.

Mahalo for the opportunity to provide testimony on this small but impactful measure.

Note: Notification of this hearing was received at 1:11PM on 8APR2021

Hawaii Electric Vehicle Association

hawaiiev.org

hawaiidriveelectric@gmail.com



April 8, 2021

STRONG SUPPORT for HB 424 HD1 SD1 (RELATING TO PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL)

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

Hawaii EV Association is in strong support of HB 424 HD1 SD1.

For Hawaii to achieve its sustainable transportation and climate goals, it must quickly electrify its ground transportation. Automakers have heeded the demand for zero-emission vehicles and are now providing consumers with a wider choice of affordable electric vehicles (EVs).

We are supportive of **HB 424 HD1 SD1** as it will encourage increased adoption of zero-emission vehicles. It will allow our state to demonstrate leadership by requiring a clean transportation preference by its agents when renting vehicles. This demand for EVs will provide rental fleet providers with the incentive to increase their fleet of zero-emission vehicles.

The impact halo – increased availability of EVs for the renting public and tourists and increased incentive for local businesses to offer EV charging – will serve to further accelerate our transition away from fossil fuel.

Regrettably, the “State employee” definition still does not include County government employees, as per the earlier version of the bill.

Thank you for this opportunity to testify.

Sincerely,
Noel Morin - President

HB-424-SD-1

Submitted on: 4/8/2021 2:10:49 PM

Testimony for WAM on 4/9/2021 10:15:00 AM

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

Comments:

STRONG SUPPORT for **HB 424 HD1 SD1** (RELATING TO PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL)

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

Big Island EV Association is in strong support of HB 424 HD1 SD1.

This will accelerate the expansion or rental EV fleet. It will help create the demand for zero-emission transportation, increase the number of people experiencing the benefits of EVs, and stimulate the expansion of our public charging infrastructure.

Thank you for this opportunity to testify.

Sincerely,

Noel Morin - President

Big Island EV Association

bigislandev.org

Big Island Electric Vehicle Association (bigislandev.org), established in 2011, is a grassroots non-profit group dedicated to accelerating the adoption of EVs on Hawaii Island. Our members are EV owners and supporters.

HB-424-SD-1

Submitted on: 4/8/2021 2:18:30 PM

Testimony for WAM on 4/9/2021 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Ha	Testifying for Sustainable Energy Hawaii	Support	No

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Committee on Ways and Means,

I chair Sustainable Energy Hawai'i, a coalition of concerned citizens dedicated to improving the quality of life of Hawaii residents through affordable renewable energy. **We are in strong support of HB 424 HD1 SD1.** This will help expand the adoption of clean transportation in Hawai'i and hasten our transition away from fossil fuels.

I urge you to support HB 424 HD1 SD1.

Mahalo,

Richard Ha

Chair - Sustainable Energy Hawai'i

sustainableenergyhawaii.org



**Hawaiian
Electric**

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

HB 424, HD1, SD1

Relating to Procurement of Contracts for Vehicle Rental

April 9, 2021

10:15 AM, Agenda # 1

State Capitol, Conference Room 211 / VIDEO CONFERENCE

June Chee

Senior Program Manager, Electrification of Transportation
Hawaiian Electric Company, Inc.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

My name is June Chee and I am testifying on behalf of Hawaiian Electric Company in **support of HB424 HD1 SD1**, relating to procurement of contracts for vehicle rental. Hawaiian Electric Company supports this measure as it aligns with and will help to bolster many of the Company's electrification of transportation initiatives.

HB424 HD1 SD1 encourages the State to be a leader in clean transportation and sends a strong, yet supportive, signal to car rental companies and indirectly the tourism industry. If passed, this bill will encourage car rental companies to add electric vehicles (EVs) to their vehicle fleets with the confidence of having consistent EV rental clientele. It would also allow residents and visitors to experience EVs while staying in Hawaii.

Hawaiian Electric's public charging program and planned request to expand our public charging network is designed to support these such needs. If passed, this bill would also help create positive momentum in developing much needed charging infrastructure throughout the State. It would encourage program participation from rental car facilities, airports, hotels, state facilities, and commercial sites throughout our

service territory as additional charging infrastructure and charging stations would be needed at these locations to support EV rentals.

Hawaiian Electric supports the proliferation of zero-emission vehicles and recognizes the importance and positive impact this bill can play. As the largest provider of EV fast charging in the state, Hawaiian Electric Company remains committed to EV strategies that are sustainable and help create a bridge to a cleaner future. Thank you for this opportunity to testify.

HB-424-SD-1

Submitted on: 4/8/2021 2:46:41 PM

Testimony for WAM on 4/9/2021 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Testifying for Climate Protectors Hawai'i	Support	No

Comments:

To: The Honorable Donovan Dela Cruz, Chair, The Honorable Gilbert Keith-Agaran, Vice Chair, and Members of the Senate Committee on Ways and Means

From: Climate Protectors Hawai'i (by Ted Bohlen)

Re: Hearing **HB424 HD1 SD1– RELATING TO PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL**

Hearing: Friday, April 9, 2021, 10:15 a.m., by videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committees on Ways and Means:

The Climate Protectors Hawai'i is a group focused on reversing the climate crisis and encouraging Hawai'i to lead the world towards a safe and sustainable climate and future. **The Climate Protectors Hawai'i STRONGLY SUPPORTS HB424 HD1 SD1!**

As a tropical island State, Hawai'i will be among the first places harmed by the global climate crisis, with more intense storms, loss of protective coral reefs, food insecurity, and rising sea levels destroying our shorelines. **Climate change is here now! Levels of carbon dioxide were measured by US National Oceanic and Atmospheric Administration (NOAA) at Mauna Loa last weekend at 421 parts per million, higher than at any time in human history! We must do all we can to reduce our carbon footprint and become carbon negative as soon as possible, not wait until 2045!** The sooner we show the world the way towards a safe and sustainable climate and future, the better it will be for our keiki and future generations.

One of the areas where Hawai'i can make the most progress in reducing greenhouse gas emissions is in decarbonizing ground transportation, as the transportation sector accounts for over two-thirds of the oil imported into the State. Electric vehicle rentals provide a viable cost-effective alternative to vehicles burning fossil fuels such as gasoline and diesel.

For Hawai'i to meet its target to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045, programs that support the adoption of cleaner transportation options are necessary and tremendously important. The adoption and widespread deployment of electric vehicles is an essential component toward reducing Hawaii's dependence on fossil fuels.

The purpose of this bill is to **require all state entities, when renting a vehicle, to prioritize the rental of electric vehicles.** This will put state agencies at the forefront of energy independence and greenhouse gas emissions reduction efforts. This requirement will provide an important market signal to prospective vehicle rental contractors, making it clear that demand for electric vehicle rentals exists and the State is committed to renting these vehicles as they are incorporated into vehicle rental fleets.

Please pass this important bill! Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



To: The Senate Committee on Ways and Means
From: Sherry Pollack, 350Hawaii.org
Date: Friday, April 9, 2021, 10:15am

In strong support of HB424 HD1 SD1

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee members of Ways and Means,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii's 6,000 members **strongly support HB424 HD1 SD1** which requires all agencies of the State when renting a vehicle on behalf of a state employee conducting official government business to adopt a preference for renting electric vehicles or hybrid vehicles; provided that such a vehicle is suitable for the specific travel requirements and available when needed.

This bill would reduce Hawaii's use of gasoline and internal combustion engines and help move us to a cleaner future that will help mitigate the climate crisis. Zero-emission vehicles are better for the environment and the economy. They are the future for Hawaii and requiring all state agencies to adopt a preference for the rental of an electric vehicle is a logical place to accelerate progress on EV adoption statewide.

Mahalo for the opportunity to testify in STRONG support of this very important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org

HB-424-SD-1

Submitted on: 4/8/2021 4:32:03 PM

Testimony for WAM on 4/9/2021 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Mulinix	Testifying for Our Revolution Hawaii	Support	No

Comments:

Aloha Committee,

On behalf of Our Revolution Hawaii's 7,000 members and supporters statewide, we stand in STRONG SUPPORT of HB424 that encourages state employees to adopt a preference for renting electric or hybrid vehicles. This is just good common sense. Climate Change is already happening, and to address it we must immediately move off of fossil fuels.

Mahalo for your kind attention,

Dave Mulinix

Cofounder & Hawaii State Community Organizer

Our Revolution Hawaii



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: April 8, 2021

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

FROM: Mihoko Ito

RE: **H.B. 424 H.D.1 S.D.1, Relating to Procurement of Contracts for Vehicle Rental**
Hearing Date: Friday, March 9th, 2021 at 10:15 a.m.
Conference Room: 211, Via Videoconference

LATE

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

We submit this testimony on behalf of Enterprise Holdings, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and Enterprise Commute (Van Pool). Enterprise **submits comments** regarding H.B. 424, H.D.1 S.D.1 Relating to Procurement of Contracts for Vehicle Rental, which requires all agencies of the State, when renting a vehicle on behalf of a state employee conducting official government business, to adopt a preference for renting electric vehicles or hybrid vehicles; provided that such a vehicle is suitable for the specific travel requirements and available when needed.

Enterprise is a leader in sustainability in its industry and has been committed to making efforts to incorporate sustainable transportation into its fleet. When electric vehicles first came onto the market, Enterprise launched a new program in Hawaii to incorporate electric vehicles into its fleet and put them out for rent. Despite the significant investment in EVs, consumer-driven demand for these vehicles was unsuccessful. As a practical matter, the rental car industry is driven by market demand.

Enterprise supports the intent of this measure because, rather than enact a mandate on the rental car industry, the bill encourages and incentivizes demand for electric vehicle rentals when the government uses rental cars. We believe that, as transportation heads in the direction of electric vehicles, these types of policies will make local residents more comfortable with the use of electric vehicles and encourage the rollout of needed infrastructure.

Enterprise is concerned with language in the S.D.1 version of this measure page 6, line 14–page 7 line 4 and asks that this language be deleted. This language proposes to add a provision to HRS 196-9(c)(10)(C) and requires that the pricing for electric vehicles to be comparable to similar vehicles, but also appears to allow for a premium to be charged. Our concern is that this language seems contradictory, and may be best left to procurement negotiations between the State

and providers. Enterprise would also note that, electric vehicles and hybrids will generally speaking have higher rental costs due to their higher acquisition costs.

For the above reasons, we respectfully ask for this measure to be amended as outlined above, and that the date be kept defective so that discussions on this matter can continue.

Thank you very much for the opportunity to testify.

HB-424-SD-1

Submitted on: 4/8/2021 2:02:37 PM

Testimony for WAM on 4/9/2021 10:15:00 AM

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

Comments:

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

I am writing in **support** of HB424 HD1 SD1.

Transitioning from fossil fuel vehicles to electric vehicles is one of the biggest things we can do to reduce our dependence on oil and lessen the damaging effects of air pollution.

Requiring EVs or hybrids as the preferred type of rental vehicle for state agencies is a welcome step to help the state fulfill its clean transportation goals.

Respectfully submitted,

Nanette Vinton

Mililani, HI

LATE

HB-424-SD-1

Submitted on: 4/8/2021 8:03:59 PM
Testimony for WAM on 4/9/2021 10:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christopher Hendrickson	Individual	Support	No

Comments:

I support HB424 HD1 SD 1