
A BILL FOR AN ACT

RELATING TO ZERO EMISSION VEHICLE FUELING REBATES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 269, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§269- Zero-emission vehicle fueling system rebate
5 program. (a) The public utilities commission, in consultation
6 with zero-emission vehicle stakeholders and the Hawaii state
7 energy office, shall administer a zero-emission vehicle fueling
8 system rebate program that incentivizes the installation or
9 upgrade of a zero-emission vehicle fueling system, as provided
10 in this section, and may contract with a third-party
11 administrator pursuant to section 269-73 to operate and manage
12 the rebate program.

13 (b) An applicant may be eligible for a rebate under the
14 rebate program if the applicant installs a hydrogen fueling
15 system; provided that it stores or dispenses only renewable
16 hydrogen.



1 (c) Rebates shall be distributed for each eligible
2 installation of a zero-emission vehicle fueling system as
3 follows:

4 (1) \$200,000 for the installation of a hydrogen fueling
5 system; provided that it stores or dispenses only
6 renewable hydrogen; and

7 (2) \$200,000 for the upgrade of fuel capacity for a
8 hydrogen fueling system; provided that it stores or
9 dispenses only renewable hydrogen.

10 (d) The public utilities commission shall:

11 (1) Prepare any forms that may be necessary for an
12 applicant to claim a rebate pursuant to this section;
13 and

14 (2) Require each applicant to furnish reasonable
15 information to ascertain the validity of the claim,
16 including but not limited to documentation necessary
17 to demonstrate that the installation or upgrade for
18 which the rebate is claimed is eligible.

19 (e) This section shall apply to hydrogen fueling systems
20 that are installed or upgraded after December 31, 2022.



1 (f) Applicants shall submit applications to the public
2 utilities commission within twelve months of the date that the
3 newly installed or upgraded hydrogen fueling system is placed
4 into service to claim a rebate from the zero-emission vehicle
5 fueling system rebate program. Failure to apply to the
6 commission within twelve months of the date that the newly
7 installed or upgraded hydrogen fueling system is placed into
8 service shall constitute a waiver of the right to claim the
9 rebate.

10 (g) Nothing in this section shall alter taxes due on the
11 original purchase or upgrade price of a hydrogen fueling system
12 prior to the application of the rebate. Any rebate received
13 pursuant to the zero-emission vehicle fueling system rebate
14 program shall not be considered income for the purposes of state
15 or county taxes.

16 (h) In administering the zero-emission vehicle fueling
17 system rebate program, the public utilities commission shall
18 give priority to hydrogen fueling systems that are publicly
19 available, serve multiple tenants, employees, or customers, or
20 serve electric vehicle fleets.

21 (i) For the purposes of this section:



1 "Applicant" means an individual; non-profit or for-profit
2 corporation; local, state, or federal government agency;
3 homeowner association; or any other eligible entity as defined
4 under rules adopted for the zero-emission vehicle fueling system
5 rebate program.

6 "Renewable hydrogen" means hydrogen produced entirely from
7 renewable sources that have a life cycle emissions of not more
8 than fifty grams of carbon dioxide per kilowatt hour.

9 "Zero-emission vehicle fueling system" means a hydrogen
10 fueling system that stores and dispenses only renewable
11 hydrogen."

12 SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) In addition to any other taxes provided by law,
15 subject to the exemptions set forth in section 243-7, there is
16 hereby imposed a state environmental response, energy, and food
17 security tax on each barrel or fractional part of a barrel of
18 petroleum product sold by a distributor to any retail dealer or
19 end user of petroleum product, other than a refiner. The tax
20 shall be \$1.05 on each barrel or fractional part of a barrel of



1 petroleum product that is not aviation fuel; provided that of
2 the tax collected pursuant to this subsection:

3 (1) 5 cents of the tax on each barrel shall be deposited
4 into the environmental response revolving fund
5 established under section 128D-2;

6 (2) 4 cents of the tax on each barrel shall be deposited
7 into the energy security special fund established
8 under section 201-12.8;

9 (3) [~~8~~] 5 cents of the tax on each barrel shall be
10 deposited into the energy systems development special
11 fund established under section 304A-2169.1; [~~and~~

12 ~~]~~ (4) [~~]~~ 3 cents of the tax on each barrel shall be deposited
13 into the electric vehicle charging system subaccount
14 established pursuant to section 269-33(e) [~~-~~]; and

15 (5) 3 cents of the tax on each barrel shall be deposited
16 into the hydrogen fueling system subaccount
17 established pursuant to section 269-33(f).

18 The tax imposed by this subsection shall be paid by the
19 distributor of the petroleum product."

20 SECTION 3. Section 269-33, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§269-33 Public utilities commission special fund. (a)
2 There is established in the state treasury a public utilities
3 commission special fund to be administered by the public
4 utilities commission. The proceeds of the fund shall be used by
5 the public utilities commission and the division of consumer
6 advocacy of the department of commerce and consumer affairs for
7 all expenses incurred in the administration of chapters 269,
8 271, 271G, 269E, and 486J, and for costs incurred by the
9 department of commerce and consumer affairs to fulfill the
10 department's limited oversight and administrative support
11 functions; provided that the expenditures of the public
12 utilities commission shall be in accordance with legislative
13 appropriations. On a quarterly basis, an amount not exceeding
14 thirty per cent of the proceeds remaining in the fund after the
15 deduction for central service expenses, pursuant to section 36-
16 27, shall be allocated by the public utilities commission to the
17 division of consumer advocacy and deposited in the compliance
18 resolution fund established pursuant to section 26-9(o);
19 provided that all moneys allocated by the public utilities
20 commission from the fund to the division of consumer advocacy
21 shall be in accordance with legislative appropriations.



1 (b) All moneys appropriated to, received, and collected by
 2 the public utilities commission that are not otherwise pledged,
 3 obligated, or required by law to be placed in any other special
 4 fund or expended for any other purpose shall be deposited into
 5 the public utilities commission special fund including, but not
 6 limited to, all moneys received and collected by the public
 7 utilities commission pursuant to sections 92-21, 243-3.5,
 8 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and
 9 607-5.

10 (c) The public utilities commission shall submit an update
 11 as part of its annual report submitted pursuant to section 269-5
 12 detailing all funds received and all moneys disbursed out of the
 13 fund.

14 (d) All moneys in excess of \$1,000,000 remaining on
 15 balance in the public utilities commission special fund on
 16 June 30 of each year shall lapse to the credit of the state
 17 general fund; provided that this ceiling shall not apply to the
 18 subaccount established in [~~subsection~~] subsections (e) [~~+~~] and
 19 (f).

20 (e) There is established within the public utilities
 21 commission special fund an electric vehicle charging system



1 subaccount. The public utilities commission shall expend moneys
2 in the subaccount for the purposes of funding the electric
3 vehicle charging system rebate program established pursuant to
4 sections 269-72 and 269-73. The funds in this subaccount shall
5 not be subject to the special fund ceiling in subsection (d).

6 (f) There is established within the public utilities
7 commission special fund a hydrogen fueling system subaccount.
8 The public utilities commission shall expend moneys in the
9 subaccount for the purposes of funding the zero-emission vehicle
10 fueling system rebate program established pursuant to section
11 269- . The funds in this subaccount shall not be subject to
12 the special fund ceiling in subsection (d)."

13 SECTION 4. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2022.



Report Title:

Zero-emission Vehicle Fueling System Rebate Program; Hydrogen Fueling System; Public Utilities Commission; Barrel Tax

Description:

Establishes the zero-emission vehicle fueling system rebate program. Establishes the rebate amount for the installation or upgrade of a hydrogen fueling system at \$200,000. Establishes a hydrogen fueling system subaccount within the public utilities commission special fund. Reduces the allocation that the energy systems development special fund receives from the environmental response, energy, and food security tax from 8 cents to 5 cents and allocates the difference to the hydrogen fueling system subaccount. (CD1)

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