



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

CHUNG I. CHANG
DEPUTY DIRECTOR

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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND
SENATE COMMITTEE ON TRANSPORTATION

Friday, March 18, 2022
3:10 PM
State Capitol, Conference Room 224

In consideration of
HB 2090, HD2
RELATING TO ZERO EMISSION TRANSPORTATION.

Chairs Wakai and Lee, Vice Chairs Misalucha and Inouye, and Members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) strongly supports this Administrative measure, HB 2090, HD2, which establishes a zero-emission transportation rebate program within the Public Utilities Commission to enable low- and moderate-income families, greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

This bill will support the equitable decarbonization of ground transportation by providing financial assistance to low- and moderate-income families to adopt zero emission vehicles. It is important that we design programs that support participation of harder to reach customer segments as we will need everyone engaged if we are to achieve a net-negative carbon economy as soon as practicable but no later than 2045.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND
TOURISM AND TRANSPORTATION
ON
HOUSE BILL NO. 2090, H.D. 2

March 18, 2022
3:10 p.m.
Room 224 and Videoconference

RELATING TO ZERO EMISSION TRANSPORTATION

The Department of Budget and Finance (B&F) offers comments on this bill.

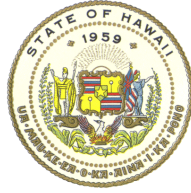
House Bill (H.B.) No. 2090, H.D. 2, amends Chapter 269, HRS, to add a new section to Part III to: 1) require the Public Utilities Commission (PUC), in consultation with zero-emission stakeholders and the Hawai'i State Energy Office, to administer a Low- to Moderate-Income Zero-Emission Vehicle Rebate Program ("the Rebate Program") and allow the PUC to contract with a third-party administrator ("the Administrator") to operate the Rebate Program; 2) require rebates to be paid out of the Zero-Emission Vehicle Subaccount (ZEVS); 3) allow the PUC to have control over design and application procedures for the Rebate Program while requiring the Administrator to set the rebate amount and income thresholds for applicants; 4) establish various other vehicle and eligibility requirements; 5) amend Section 243-3.5, HRS, to require \$0.05 of the State Environmental Response, Energy, and Food Security Tax (Barrel Tax) to be deposited into the ZEVS; 6) amend Section 269-33, HRS, to establish the ZEVS within the PUC Special Fund (PUCSF), but

not subject to the general fund lapse “ceiling” of the PUCSF set by Section 269-33(d), HRS; and 7) amend Section 269-73, HRS, to require the Administrator to not be considered an electric public utility or electric public utility affiliate, but still be subject to regulation by the PUC.

B&F notes that depositing \$0.05 of the Barrel Tax into the proposed ZEVS would result in an estimated general fund revenue loss of \$1,070,000. Furthermore, B&F notes the bill currently does not provide a special fund appropriation for the ZEVS to expend Barrel Tax revenues in support of the Rebate Program.

Additionally, as a matter of general policy, B&F does not support the creation or continuance of any special fund or special fund subaccount which does not meet the requirements of Section 37-52.3, HRS. Special funds and any related subaccounts 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. In regards to H.B. No. 2090, H.D. 2, it is unclear if the proposed ZEVS would be self-sustaining.

Thank you for your consideration of our comments.



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

Testimony of
Leah Laramee
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission
(Temporality Assigned)

Before the Senate Committees on
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
and
TRANSPORTATION

Friday, March 18, 2022
3:10 PM

State Capitol, Via Videoconference, Conference Room 224

In support of
House Bill 2090 House Draft 2
RELATING TO ZERO EMISSION TRANSPORTATION

House Bill 2090 House Draft 2 establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. **On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I 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.

Emissions from ground transportation account for over half of energy emissions as noted in the 2017 Greenhouse Gas Inventory. Reducing emissions from ground transportation is one of the major focuses of the Commission, and a transition to clean renewable fueled vehicles is a crucial strategy to achieve state goals. Such conversions include electrification of transportation, and the use of clean, renewable fuels, and a rebate program could be critical in promoting this transition

Co-Chairs:
Chair, DLNR
Director, OPSD

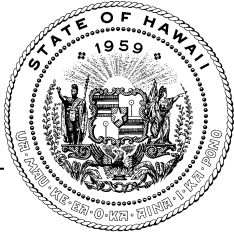
Commissioners:
Chair, Senate AEN
Chair, Senate WAL
Chair, House EEP
Chair, House WTH
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai'i DP
Director, Kaua'i DP
The Adjutant General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

to clean transportation. For significant reductions to be made all market segments in Hawaii need to be addressed, including LMI households.

In its November 2018 statement supporting a price on carbon, the Commission emphasized that carbon fee program mechanisms should minimize regressivity. This bill addresses this by empowering LMI households who generally have a significantly lower adoption rate of electric vehicles (EVs) as a percentage of total vehicles in that neighborhood.

For Hawaii to achieve its goal of a net-negative carbon economy as soon as practicable but no later than 2045 it is essential that everyone is afforded the opportunity to participate in the net-negative carbon economy from an equity, economic, and technical perspective.

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



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
**SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND TRANSPORTATION**

Friday, March 18, 2022
3:10 PM
State Capitol, Conference Room 224 and via Videoconference

**SUPPORT
HB 2090 HD2
RELATING TO ZERO EMISSION TRANSPORTATION.**

Chairs Wakai and Lee, Vice Chairs Misalucha and Inouye, and Members of the Committees, the Hawai'i State Energy Office (HSEO) supports HB 2090 HD2, which establishes a zero-emission transportation rebate program within the Public Utilities Commission (PUC) to enable low- and moderate-income (LMI) families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

HB 2090 HD2 supports the proliferation of zero-emission transportation options, including micro-mobility options, which increase transportation efficiency and can reduce fossil-fuel powered vehicle miles traveled and related transportation emissions.

For Hawai'i to achieve its goal of a net-negative carbon economy as soon as practicable but no later than 2045 it is essential that everyone is afforded the opportunity to participate in the net-negative carbon economy from an equity, economic, and technical perspective.

Program funding available for rebates is estimated to be roughly \$1 million per year. This is a relatively small program designed to make a difference to a specific market segment that is often overlooked. Given the size of the program and importance

of the market segment it is important to move forward expeditiously to implement the program.

The relatively small size of the program mitigates concerns that the rebate program would disrupt the EV market here in Hawai'i. DBEDT's monthly energy trends, which reports the number of active registrations of taxable vehicles, shows an increase of approximately 4,300 electric vehicles in 2021. If one hundred percent of the funds from the program were used for EV rebates and the rebate was set at \$5,000 per vehicle, approximately 200 vehicles could receive a rebate. At a \$10,000 rebate per vehicle, approximately 100 vehicles could receive a rebate. While small relative to the growing EV market, it is a critically important program in reaching the LMI community, as exposure is one of the key components for acceptance of clean transportation options. When more consumers see adoption of vehicles in their neighborhoods, acceptance will likely increase. Programs such as this one help to provide equity and opportunity for more individuals to participate as Hawai'i moves to decarbonize the transportation sector.

HSEO supports the Motor Vehicle Industry Licensing Board suggested amendment to the definition of "Qualifying vehicle" to address concerns related to the requirements for licensure set forth in Hawai'i Revised Statutes Chapter 437 provided in testimony to the House Committee on Finance.

In response to concerns raised in previous committee hearings, in particular by the House Committee on Consumer Protection & Commerce in its [Standing Committee Report 599-22](#) regarding the potential tension between flexibility and specificity on the rebate amounts, income requirements, eligible vehicles, and the potential for rebate recipients to quickly resell the vehicle for profit, HSEO offers the following comments with a note for the preference to maintain as much flexibility as reasonable to the program administrator.

Oregon's Charge Ahead Rebate, part of the Oregon Clean Vehicle Rebate Program¹ has required amendments to the original statute for criteria such as income requirements, and rebate amounts, and increased the pool of eligible applicants,

¹ <https://www.oregon.gov/deq/aq/programs/Pages/ZEV-Rebate.aspx>

highlighting the issue of amending program requirements in statute and the ability of those statutory requirements to keep up with a rapidly evolving market such as electric vehicles.

If the Legislature prefers specificity in statute for the rebate amount for qualifying vehicles, HSEO recommends that the amount be set “up to” a maximum amount such as \$10,000, to allow the program administrator the flexibility to set the amount lower if found necessary to ensure success of the program. HSEO would also recommend that no rebates be allowed in excess of 50% of the sale price of any qualifying vehicle. This ensures that the rebates are available for a greater number of recipients.

If the Legislature prefers specificity in statute for qualifying vehicles, HSEO recommends the new or used vehicle selling price for eligible vehicles to be connected to a maximum MSRP or selling price, such as set similarly to Oregon’s Charge Ahead Rebate, which recently raised the MSRP for eligible new vehicles to be up to \$60,000. Used vehicle eligibility could be based on the original MSRP or sale price, whichever is lower.

If the Legislature prefers specificity in statute for income requirements, HSEO recommends that the requirement be set at up to 400% of the federal poverty limit. Using the federal poverty limit provides consistent application across the state regardless of where a rebate recipient lives. One of the goals of the program is to incentivize the marginal buyer to choose an EV over an internal combustion engine vehicle. Including the language of “up to” when setting limits allows the program administrator the flexibility necessary to adjust the program to capture the marginal buyer.

If the Legislature prefers specificity in statute to reduce the likelihood for a rebate recipient to quickly resell the vehicle for profit, HSEO suggests adding the following language:

If a rebate recipient intends to sell the qualifying vehicle or terminate the qualifying vehicle lease before the end of 24 months, the rebate recipient shall notify the administrator of the program of the recipient’s intent to sell the vehicle or

terminate the lease and shall reimburse the administrator for the entire rebate amount.

HSEO would also support prorating the reimbursement amount to reduce the potential burden on rebate recipients.

The flexible approach proposed in HB 2090 HB2 is applying lessons learned from Hawai'i's own existing EV Supply Equipment (EVSE) rebate, which was first established in Act 142 (Session Laws of Hawai'i 2019). By establishing the program at the PUC, the PUC was able to develop an effective, successful program with input from stakeholders in a public process. The PUC has demonstrated that they can effectively administer rebate programs.

Should the Legislature establish a low- to moderate-income zero-emission vehicle rebate program, as proposed in this measure, HSEO supports adding appropriation language for this program as proposed by the PUC:

There is appropriated out of the zero-emission vehicle subaccount within the public utilities commission special fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the low- to moderate-income zero-emission vehicle rebate program established pursuant to sections 269- and 269-73, Hawaii Revised Statutes.

HSEO defers to the appropriate agencies for comment on the administration and fiscal impacts of this program addition.

Thank you for the opportunity to testify.

TESTIMONY OF
JAMES P. GRIFFIN, Ph.D.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
SENATE COMMITTEES ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND
TRANSPORTATION

March 18, 2022
3:10 p.m.

Chair Wakai, Chair Lee, and Members of the Committees:

MEASURE: H.B. No. 2090, HD2

TITLE: RELATING TO ZERO EMISSION TRANSPORTATION.

DESCRIPTION: Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. Effective 7/1/2100. (HD2)

POSITION:

The Public Utilities Commission (“Commission”) supports this administration bill and offers the following comments.

COMMENTS:

The Commission supports this measure and believes that it would help to improve access to zero-emission transportation for low- and moderate-income residents.

Since 2019, the Commission has managed the Electric Vehicle Charging System (“EVCS”) Rebate Program in consultation with electric vehicle stakeholders and in cooperation with the program’s administrator, Hawaii Energy. The program has been met with a robust response and has efficiently allocated funds to expand public charging infrastructure in the state. According to Hawaii Energy, the program to date has issued rebates for 43 new Level 2 EVCS installations, 62 Level 2 retrofits, 1 DC fast charger

("DCFC") installation, and 1 DCFC retrofit. The program also has 30 projects in the pipeline, totaling nearly \$200,000 in rebates.

The Commission believes that a similar rebate program for zero-emission vehicles could help to facilitate state energy goals, while allowing more Hawaii residents to participate in the financial, environmental, and other benefits of zero-emission transportation. Should this measure be adopted, the Commission will work with Hawaii Energy, the Hawaii State Energy Office, and other stakeholders to ensure that the program is efficiently implemented.

The Commission has recently been alerted by the Department of Budget and Finance that the EVCS rebate program requires a direct appropriation in order for the Commission to expend deposited barrel tax funds, and that Act 75 (2021) does not provide sufficient authority to do so. Therefore, the EVCS program is currently constrained by a \$100,000 spending ceiling for FY 2022, which was created by the "seed money" deposited from the Energy Security Special Fund through Act 75.

To ensure that the Commission is able to expend barrel tax funds as intended, **the Commission recommends adding the following appropriation language**, which would satisfy the rebate program pipeline through the end of FY 2022.

SECTION []. There is appropriated out of the electric vehicle charging system subaccount within the public utilities commission special fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2021-2022 for the electric vehicle charging system rebate program established pursuant to sections 269-72 and 269-73, Hawaii Revised Statutes.

The Commission also recommends that similar language be added to account for expected barrel tax funds in FY 2023:

SECTION []. There is appropriated out of the electric vehicle charging system subaccount within the public utilities commission special fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the electric vehicle charging system rebate program

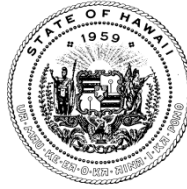
established pursuant to sections 269-72 and 269-73, Hawaii Revised Statutes.

Should the Legislature establish a low- to moderate-income zero-emission vehicle rebate program, as proposed in this measure, **the Commission recommends adding similar appropriation language for this program:**

SECTION []. There is appropriated out of the zero-emission vehicle subaccount within the public utilities commission special fund the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the low- to moderate-income zero-emission vehicle rebate program established pursuant to sections 269- and 269-73, Hawaii Revised Statutes.

The Commission notes that the appropriation numbers listed above are based on the remaining program pipeline and the estimated deposits from 3 cents of the barrel tax for the EVCS rebate program, and 5 cents of the barrel tax for the low- to moderate-income zero-emission vehicle rebate program, respectively. The Commission would be supportive of a recurring or permanent spending authority, should there be a mechanism by which this could be achieved.

Thank you for the opportunity to testify on this measure.



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASH
EDUARDO P. MANGLALLAN
PATRICK H. MCCAIN
EDWIN H. SNIFFEN

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 18, 2022
3:10 P.M.

State Capitol, Conference Room 224/Teleconference

H.B. 2090, H.D. 2
RELATING TO ZERO EMISSION TRANSPORTATION

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

The Department of Transportation (DOT) **supports** this measure that establishes a rebate program within the Public Utilities Commission to enable low and moderate income families greater access to zero-emission vehicles.

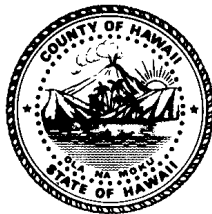
The DOT is committed to meeting the state's clean energy goals and supports the wide-spread adoption of electric and zero-emission vehicles. The department's track record includes a significant purchase of light-duty electric vehicles (EV) for its fleet in 2021 with plans to continue to convert its fleet over the next few years. Our current electrification contract for these vehicles enables the DOT to install charging stations and the charging service quickly and efficiently with no upfront equipment costs. There are photovoltaic panels installed at DOT field offices statewide designed to power EV charging stations in the near future. In addition, the DOT pursues strategies to support expansion of EV charging facilities across the state.

In addition to these efforts underway and the initiatives proposed in this measure, DOT is also the lead for the State of Hawaii for the National EV Infrastructure formula program and the two new complementary discretionary funding programs, the Corridor Charging Grant Program and the Community Charging Grant Program. These programs aim to deploy publicly accessible EV charging infrastructure and hydrogen, propane, and natural gas fueling infrastructure along designated Alternative Fuel Corridors and in communities. These are new program authorized under the federal Infrastructure Investment and Jobs Act signed into law in November 2021.

The DOT supports the Public Utility Commission and the State Energy Office in their effort to improve accessibility to zero-emission vehicles for all residents.

Thank you for the opportunity to provide this testimony.

REBECCA VILLEGAS
Council Member
District 7, Central Kona



PHONE: (808) 323-4267
FAX: (808) 323-4786
EMAIL: Rebecca.villegas@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL

West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy. Kailua-Kona, Hawai'i 96740

March 16, 2022

TESTIMONY OF REBECCA VILLEGAS
COUNCIL MEMBER, HAWAI'I COUNTY COUNCIL
ON HB 2090 HD2, RELATING TO ZERO EMISSION TRANSPORTATION
Committee on Energy, Economic Development, and Tourism; Committee on Transportation
Friday, March 18, 2022 at 1:30 p.m.

Aloha Chair Wakai, Chair Lee and Members of the Committees:

I thank you for the opportunity to testify in support of HB 2090 HD2. The purpose of this Act is to establish a rebate program within the P.U.C. for the purchase of zero-emission vehicles and to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

The electric vehicle charging system rebate program has proven to be very successful. I support this measure for the following reasons:

- The life-cycle costs of zero-emission vehicles are lower than internal combustion vehicles, including maintenance and fueling.
- The range of zero-emission vehicles has increased, the median range of all the electric vehicles offered for sale or lease in the United States in 2020 was more than two hundred fifty miles per charge.
- It is critically important to encourage behavior that promotes lower emissions, reduces congestion, and enhances mobility, while encouraging the adoption of zero-emission vehicles for private and public use.
- An important step toward the decarbonization of ground transportation is to support equal access to new technologies and services, such as electric vehicles, which decrease the energy intensity of mobility and have the potential to greatly benefit low- to moderate-income and underserved populations who would most benefit from the lower maintenance and life-cycle costs.

For the reasons stated above I urge the Committee on Energy, Economic Development, and Tourism and the Committee on Transportation to support this measure as well. Should you have any questions, please feel free to contact me at (808) 323-4267.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read "Rebecca Villegas".

Rebecca Villegas
Council Member, Hawai'i County Council

Hawai'i County is an Equal Opportunity Provider and Employer.



KauaiEV

Kauai Electric Vehicle Association
302 Makani Rd, Kapaa, HI 96746
808-652-0591

2022/03/15

KauaiEV is in **Strong Support of HB2090 HD2**

Dear Chairs Wakai and Lee, Vice-Chairs Misalucha and Inouye, and Committee members,

I am writing on behalf of KauaiEV, a grassroots organization with over 100 members on Kauai. Our members are electric vehicle drivers and we believe that EVs are the personal transportation of the future. We are in **strong support of HB2090 HD2.**

We are especially happy about “(5) 5 cents of the tax on each barrel shall be deposited into the zero-emission vehicle subaccount established pursuant to section 269-33(f).” because it will ensure that sufficient funds will stay in the electric vehicle charging system subaccount. At the same time we hope that it can be clarified that the funds managed by the third party administrator stay separate in their respective subaccounts and get used accordingly.

Purchase rebates for low- and moderate-income buyers are a great strategy for EV market transformation, and when it comes to vehicle ownership, low- and moderate-income households pay a much larger share of their income on fuel and maintenance. With lower operating and maintenance costs, EVs could significantly reduce the cost burden of ownership for such households

Most cars on the road are bought secondhand: used-car purchases outnumber new by more than two to one. Low income households tend towards purchasing used cars, and households making more than \$100,000 annually purchase nearly half of all new, privately owned cars.

E-bikes are not only more affordable, they also have a smaller environmental and carbon footprint in production, fueling and recycling and are preferable to a larger vehicle.

Purchase rebates are preferable because they ensure equitable access and eliminate a car buyer's uncertainty over whether they will qualify for a tax credit and eliminate the wait.

The only **recommendation** we have is to **shorten the payment period**, or even advance the money, so it could be used as a downpayment. 60 days might be a long waiting time for people who have to budget carefully.

Mahalo, for your consideration,

Sonja Kass, President KauaiEV

Hawaii Electric Vehicle Association

hawaiiev.org
info@hawaiieva.com



March 16, 2022

Dear Chairs Wakai and Lee, Vice-Chairs Misalucha and Inouye, and Committee members,

Hawaii Electric Vehicle Association SUPPORT of HB2090 HD2.

We support HB2090 HD2 because it creates incentives for the purchase of new or pre-owned electric vehicles by low-middle income households and relevant non-profit organizations.

Electric vehicles have come down in price and have become more affordable. However, the cost can still be a significant barrier for low to middle-income families. Additionally, these households may not have the tax liability to leverage federal tax incentives that would, otherwise, offset the cost of a new vehicle.

The rebate proposed by this measure will enable more equitable access to electric vehicles and help Hawaii accelerate its transition to clean transportation. Of course, it will be essential to address the funding sources for this rebate program and ensure that it does not take away from other critical programs. This measure intends to leverage an existing rebate program.

“Section 2 (c) Rebates under the program shall be made from moneys credited to or deposited in the zero-emission vehicle subaccount. A rebate shall not be made unless there are sufficient moneys available in the subaccount to make the rebate.”

Consolidation of rebate programs will allow for process efficiency and allow for cost mitigation. However, it will be essential to ensure that the rebates don't compete for funds and that the administrator can manage allocations for the respective rebate programs independently.

Sincerely,

A handwritten signature in black ink, appearing to read "Noel Morin", with a long horizontal stroke extending to the right.

Noel Morin
President
Hawaii EV Association

Hawaii EV Association is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit hawaiiev.org.

Hawaii EV Board

Noel Morin, President
Nanette Vinton, Secretary and Treasurer
Bill Bugbee – Director
Tam Hunt - Director
Sonja Kass – Director
Rob Weltman – Director

Hawaii EV Clubs

Big Island EV Association
Kauai EV
Maui Nui EV
Tesla Hawaii Club



Before the Senate Committees on Energy, Economic Development and Tourism, and Transportation
Friday, March 18, 2022 at 3:10pm

Testimony on HB2090 HD2 relating to Zero Emission Transportation.

Chairs Wakai and Lee, Vice Chairs Misalucha and Inouye, and Members of the Committees:

Thank you for the opportunity to provide comments on House Bill 2090 HD2. Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

Under the Hawai'i Public Utilities Commission's direction, Hawai'i Energy has been managing the electric vehicle charging station (EVCS) rebate program that was initially funded in 2019 by the State Legislature (Act 142), and in 2021, provided continued funding with the passage of House Bill 1142 (Act 75). The incentive was even highlighted by Plug-In America as a main reason why Hawai'i is ranked #14 in its "*Top 25 States Supporting the EV Driver*" report, released last year.¹

Hawai'i Energy appreciates the efforts made by the State Legislature in this bill to knock down barriers of electric vehicle ownership for low- to moderate-income residents. We support the intent of this bill and encourage flexibility in the program administration, as this would be a new program and there would be the need to determine local market conditions to inform program structure.

We recognize there may be hesitancy around leaving rebate amounts blank at this time. In our practice, our rebates typically cover 10-20% of a measure's cost. Since this rebate program would incentivize a wide range of zero-emission vehicles — from mopeds to passenger vehicles — that carry varying costs, we recommend an amendment that would prescribe the incentive cover a percentage of an applicant's cost, such as 20%, instead of a specific dollar amount. We also believe the rebate should only cover the cost of the vehicle at the point of sale/lease and exclude any taxes, fees, shipping and delivery charges, extended warranties, and vehicle modifications such as window tinting or cosmetic upgrades.

Thank you for the opportunity to testify on House Bill 2090 HD2.

Sincerely,
Brian Kealoha
Executive Director
Hawai'i Energy

¹ "*Top 25 States Supporting the EV Driver*," Plug-In America, February 2021 - <https://pluginamerica.org/policy/top-25-states-supporting-the-ev-driver/>

Testimony of the Motor Vehicle Industry Licensing Board

**Before the
Senate Committee on Energy, Economic Development, and Tourism
and
Senate Committee on Transportation
Friday, March 18, 2022
3:10 p.m.
Via Videoconference**

**On the following measure:
H.B. 2090, H.D. 2, RELATING TO ZERO EMISSION TRANSPORTATION**

Chair Wakai, Chair Lee, and Members of the Committees:

My name is Russell Wong, and I am an industry member of the Motor Vehicle Industry Licensing Board (Board). The Board has concerns with this bill and offers comments.

The purpose of this bill is to establish a zero-emission vehicle rebate program within the Public Utilities Commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

The Board would like to express its concern that as written, this bill seems to negate the requirements for licensure set forth in Hawaii Revised Statutes (HRS) chapter 437. For the Committee's information, pursuant to HRS sections 437-1.1 and 249-1, the definition of "motor vehicle" includes, but is not limited to: electric vehicles, motorcycles, and motor scooters. Further, unless otherwise exempted by HRS chapter 437, selling three or more motor vehicles within a calendar year in the State requires a motor vehicle dealer license. Used motor vehicle dealers are authorized to sell new motorcycles and new motor scooters if they are franchised by the manufacturer or distributor pursuant to HRS section 437-7(k).

To address this issue, the Board respectfully requests the Committee amend this measure on page 8, lines 1 to 18 as follows:

"Qualifying vehicle" means a motor vehicle that:

(1) Is a:

(A) New or used light-duty zero-emission vehicle purchased from a new

motor vehicle dealer or used motor vehicle dealer as those terms are defined in section 437-1.1;

- (B) New neighborhood electric vehicle purchased from a new motor vehicle dealer as the term is defined in section 437-1.1;
- (C) New zero-emission motorcycle purchased from a new motor vehicle dealer or used motor vehicle dealer as those terms are defined in section 437-1.1, or from an appropriate entity as identified by the program administrator if the new zero-emission motorcycle meets the definition of "moped" as defined in section 291C-1;
- (D) New zero-emission motor scooter purchased from a new motor vehicle dealer or used motor vehicle dealer as those terms are defined in section 437-1.1, or from an appropriate entity as identified by the program administrator if the new zero-emission motor scooter meets the definition of "moped" as defined in section 291C-1; or
- (E) New zero-emission moped purchased from an appropriate entity as identified by the program administrator;

The Board also provides the following definitions for the Committee's reference as cited in the appropriate statutory provisions:

HRS section 437-1.1:

"Motor vehicle" includes any vehicle, motor vehicle, or truck, as defined in sections 249-1 and 249-2, except for tractors, trailers, and amphibious vehicles.

HRS section 249-1:

"Motor vehicle" means every vehicle which is self-propelled and every vehicle which is propelled by electric power but which is not operated upon rails, but excludes mopeds.

"Moped" means a device upon which a person may ride that has two or three wheels in contact with the ground, a motor having a maximum power output capability measured at the motor output shaft, in accordance with the Society of Automotive Engineers standards, of two horsepower (one thousand

four hundred ninety-two watts) or less and, if it is a combustion engine, a maximum piston or rotor displacement of 3.05 cubic inches (fifty cubic centimeters) and that will propel the device, unassisted, on a level surface at a maximum speed no greater than thirty miles per hour; and a direct or automatic power drive system, which requires no clutch or gear shift operation by the moped driver after the drive system is engaged with the power unit. "Moped" does not include an electric foot scooter.

Thank you for the opportunity to testify on this bill.

HB-2090-HD-2

Submitted on: 3/16/2022 8:35:59 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Noel Morin	Testifying for Big Island Electric Vehicle Association	Support	Written Testimony Only

Comments:

Dear Chairs Wakai and Lee, Vice-Chairs Misalucha and Inouye, and Committee members,

Big Island Electric Vehicle Association SUPPORTS HB2090 HD2.

HB2090 HD2 creates electric vehicle purchase rebates for new and pre-owned electric for low-middle income households. HB2090 HD2 will make the transition to clean transportation more equitable.

This measure calls for the new rebate program to be managed with the Commercial EV Charger Rebate program. It will be essential to ensure that the funds deposited in the zero-emission vehicle subaccount for these rebate programs are managed and tracked independently.

Thank you for supporting it.

Noel Morin

President - BIEVA

bigislandev.org

HB-2090-HD-2

Submitted on: 3/16/2022 10:18:15 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Russell Wong	Testifying for Motor Vehicle Industry Licensing Board	Comments	Remotely Via Zoom

Comments:

Present via Zoom to testify with comments and answer questions.



To: The Senate Committee on Energy, Economic Development, and Tourism
and
The Senate Committee on Transportation
From: Sherry Pollack, 350Hawaii.org
Date: Friday, March 18, 2022, 3:10pm

In strong support of HB2090 HD2

Aloha Chairs Wakai and Lee, Vice-Chairs Misalucha and Inouye, and Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org is in **strong support of HB2090 HD2** that would establish a zero-emission transportation rebate program within the Public Utilities Commission to enable low and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles (ZEVs).

The transportation sector contributes more to the climate crisis than any other sector in Hawaii. Providing incentives that promote the adoption of electric vehicles (EVs) is vital in our strategy for reducing emissions and meeting our emission reduction goals. However, upfront vehicle purchase costs remain a significant barrier to EV ownership in low to moderate income (LMI) households. Incentive programs, especially those with equity-focused components, can help overcome financial barriers and expand EV access for lower-income consumers.

HB2090 HD2 increases access to EVs, and will have long-lasting benefits for low-income households. EVs are less expensive to own and operate over time. This savings will be significant for low-income families that spend a greater share of their income on fuel.

The 'Decade of Action' calls for accelerating sustainable solutions to confront the climate crisis. Ensuring equitable EV access will accelerate Hawaii towards our clean transportation future. Allowing these rebates for EVs for LMI households is one very effective strategy to accomplish that.

Mahalo for the opportunity to testify in **strong support** of this important legislation.

Sherry Pollack
Co-Founder, 350Hawaii.org



**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
SENATE COMMITTEE ON TRANSPORTATION**

March 18, 2022, 3:10 P.M.

Conference Room 224 and Video Conference

TESTIMONY IN SUPPORT OF HB 2090 HD2

Aloha Chair Wakai, Chair Lee, Vice Chair Misalucha, Vice Chair Inouye, and members of the Committees:

Blue Planet Foundation **supports HB 2090**, which establishes a rebate program to expand access and affordability for low- and moderate-income families to purchase zero-emission vehicles and be part of our clean transportation future.

Although Hawai'i has made substantial progress on policies, programs, and actions to reduce burning fossil fuels in the electricity sector, we are falling short on decarbonizing our ground transportation sector. Just under 2% of all registered vehicles in Hawai'i are electric vehicles.¹ This number is expected to rise exponentially as more electric vehicles come to market, vehicle ranges increase, and the cost of electric vehicles decreases. The number of registered electric vehicles in Hawai'i increased more than 30% during 2021, while the number of registered gasoline-powered vehicles has decreased.²

Yet purchasing an electric vehicle—or any new car in general—is financially out of reach for many Hawai'i residents. According to Aloha United Way, nearly half of Hawai'i's families were living paycheck to paycheck even before the COVID-19 pandemic.³ House Bill 2090 can expand access to the benefits of a clean transportation future to more working families. Unlike a dozen other states that offer financial incentives to make EVs more affordable to a wider range of residents, Hawai'i offers no such incentives.

Blue Planet supports funding the program through Hawai'i's existing barrel tax, **provided that it does not deplete funding for the successful and critically needed electric vehicle charging system rebate program**. It makes sense to tap the source of our problem—imported fossil fuels—to help fund clean transportation solutions.

Thank you for the opportunity to provide testimony.

¹ DBEDT Monthly Energy Trends, December 2021 (<http://dbedt.hawaii.gov/economic/energy-trends-2/>).

² Ibid.

³ *ALICE: A Study of Financial Hardship in Hawai'i*, Aloha United Way, <https://www.auw.org/alice>.



Email: communications@ulupono.com

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

Friday, March 18, 2022 — 3:10 p.m.

Ulupono Initiative supports HB 2090 HD 2, Relating to Zero-Emission Transportation.

Dear Chair Wakai, Chair Lee, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

Ulupono supports HB 2090 HD 2, which establishes a zero-emission vehicle rebate program within the Public Utilities Commission (PUC) to enable low- and moderate-income families with greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles.

Ulupono supports clean, alternative fuel transportation as ground transportation makes up a significant portion of Hawai'i's reliance on imported oil, and is the largest contributor to our State's greenhouse gas emissions. To streamline meeting State climate change goals and sustainability efforts, EV rebates at points of sale have proven to be effective at accelerating the adoption of zero-emission vehicles, especially for low- to moderate-income families.

Although the legislation favors a point-of-sale rebate, our interpretation of this legislation is that it may not be a point-of-sale rebate program since applicants submit for a rebate after the purchase or lease and no program details refer to point-of-sale outside of the preamble.

We fully support a genuine point-of-sale rebate that effectively decreases the purchase price at the time of sale so that the price paid is actually lower than otherwise would have been paid without a rebate. Rather than prescribe these details in the program, we recommend the Legislature clearly state that the administrator must implement a point-of-

Investing in a Sustainable Hawai'i



sale rebate program, at least for any new vehicles purchased or leased. Overall, UluPono supports a program that is as streamlined and user-friendly as possible for both the purchaser and the seller of any vehicle.

We also ask the committee to consider adding e-bikes as a qualifying vehicle, particularly since the bill already includes scooters and mopeds. For those that electric automobiles are still economically out of reach, an e-bike can be a much more affordable option that is also less energy-intensive. They also have the added health benefit of allowing the users to incorporate more active transportation modes and be less sedentary in their trips.

As Hawai'i's energy issues become increasingly complex and challenging, we appreciate this committee's efforts to look at policies that support the continued adoption of clean transportation throughout the islands.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs



3/18/2022

EET/TRS Committees
Hawai'i State Capitol
Honolulu, Hawai'i 96813

Dear Chair Wakai, Chair Lee, Vice Chair Misalucha, Vice Chair Inouye, and members of the Senate Committee on Energy, Economic Development, and Tourism and Committee on Transportation,

Position: Support HB2090 HD2.

The Surfrider Foundation is a national nonprofit organization dedicated to the protection and enjoyment of our ocean, waves, and beaches. Surfrider maintains a network of over 150 chapters and academic clubs nationwide, including 4 chapters in the Hawaiian Islands. The Surfrider Foundation focuses on many aspects of the environment such as coastal protection, plastic pollution, and water quality.

We strongly support this bill which establishes a zero-emission transportation rebate program within the Public Utilities Commission to enable low- and moderate-income (LMI) families greater access to zero-emission vehicles (ZEVs) by providing a rebate on the point-of-sale purchase price of ZEVs. This is a critical measure to ensure an equitable transition to electric transportation, as LMI households face numerous barriers to ZEV adoption. Additionally ZEV ownership results in cost savings by drivers and improved health benefits, co-benefits for neighborhoods with high concentrations of LMI households.

Greenhouse gas emissions from ground transportation account for over half of the energy sector's total emissions according to the statewide 2017 Greenhouse Gas Report. It is imperative that the state quickly, equitably, and drastically reduce its emissions levels to not only reach the statutory target of net-negative emissions "as quickly as practicable but no later than 2045," but to thwart the worsening effects of climate change that Hawai'i faces including sea level rise, warming climate and ocean temperatures, ocean acidification, and increased frequency and severity of natural disasters.

Thank you for your consideration of this testimony in support of HB2090 HD2, submitted on the behalf of the Surfrider Foundation's 4 Chapters in Hawai'i and all of our members who live in the state and visit to enjoy the many coastal recreational opportunities offered by all of the islands' coastlines.

Sincerely,

Camile Cleveland
Volunteer Policy Coordinator
Surfrider Foundation, O'ahu Chapter



**Hawaiian
Electric**

**TESTIMONY BEFORE THE SENATE COMMITTEES ON
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND
TRANSPORTATION**

HB 2090 HD 2

Relating to Zero Emission Transportation

March 18, 2022

3:10 PM, Agenda Item #1

State Capitol, VIDEO CONFERENCE

June Chee

Program Manager, Electrification of Transportation
Hawaiian Electric Company

Aloha Chair Wakai, Chair Lee, Vice Chair Misalucha, Vice Chair Inouye, and Committee Members,

My name is June Chee, and I am testifying on behalf of Hawaiian Electric Company **in support of HB 2090 HD 2**, as it seeks to enable families in our community greater access to zero-emission vehicles by establishing a low- to moderate-income (LMI) zero-emission vehicle rebate program. Creating financial incentives specifically for local non-profits and LMI residents will help to ensure equitable adoption of new or used zero-emission vehicles and greater distribution of transportation resources across Hawaii.

Hawaiian Electric has a focused support and momentum for the electrification of transportation by providing programs and initiatives such as the Charge Up eBus make ready pilot, electric vehicle (EV) specific rates to encourage daytime charging, a proposal to expand our public charging network, and our recently approved Charge Ready Hawaii pilot that will provide make ready infrastructure for EV charging systems

to publicly available commercial properties, fleet owners, and multi-unit dwellings. These programs were designed to provide products, offerings, and benefits to all our customers and anticipate the charging needs for future EV drivers and riders such as low- to moderate-income families and families in rural communities across our service territory.

As the largest provider of EV fast charging in the state, Hawaiian Electric remains committed to EV strategies that are sustainable and help create a bridge to a cleaner, more equitable future. Hawaiian Electric is in strong support of this bill as it is pivotal for the continued progress already achieved in decarbonizing Hawaii's ground transportation. Thank you for this opportunity to testify.



Heather Cutter, President
Dave Rolf, Executive Director

Written Testimony by
David H. Rolf, Executive Director, Hawaii Automobile Dealers Association

for the
Committee on Energy, Economic Development and Tourism and the Committee on Transportation
Friday, March 18, 2022
Time 3:10 p.m.
State Capitol Room 224, via Videoconference
providing testimony **WITH COMMENTS on HB2090 HD2**

RELATING TO ZERO EMISSION TRANSPORTATION

Chairs Wakai and Lee, Vice Chairs Misalucha and Inouye and members of the committees:

HADA supports the transition to electric vehicles and in the interest of avoiding some of the pitfalls other states have encountered in the process of awarding EV rebates, we offer our COMMENTS, on HB2090 HD2.

The bill addresses the objective of assisting low- to moderate-income individuals and qualifying non-profit organizations, in purchasing electric vehicles, including new or used light-duty zero-emission motor vehicles, new electric neighborhood vehicles, new electric motorcycles, new electric motor scooters and new elect and new electric mopeds.

Under current market conditions the bill has the possibility of promoting “purchase and flip.”

Today’s car market resembles the housing market in that many cars today are appreciating in value. Under the provisions of this bill, a large state EV cash rebate of \$10,000, for example combined with a large federal EV tax credit of \$7,500, and a short holding time of 24 months, could promote purchase and resale—so-called “flipping.”

This bill could promote such with high rebates on cars.

We use the example of a \$10,000 EV rebate because the amount will have to be substantial to incentivize low-moderate income level electric motor vehicle purchasers.

The average transaction price for a new electric vehicle (EV) is **\$56,437**, according to Kelley Blue Book — roughly \$10,000 higher than the overall industry average of \$46,329 that includes gas and EVs, according to a CNBC report. Which added, “in terms of pricing, an EV is equivalent to an entry-level luxury car.”

And therein lies one of the major issues relating to HB2090 HD2.

If the EV rebate is too small....it has little to no effect.

If the EV rebate is too large... it likely may quickly result in “flipping” of the purchased vehicles.

If, for example, the cost of the new electric motor vehicle is the above \$56,437, and...

--if the EV rebate is \$10,000, and

-- if the \$7,500 federal EV tax credit applies

Then, a customer could possibly buy a vehicle, and resell the vehicle after 24 months for its purchase price and make \$17,500 on the “flip.”

Who are the low- to moderate-income purchasers, and what will be needed to qualify for a loan or a lease.

If moderate income purchasers were defined as up to 400% of poverty-level income, as has been an oft-used reference, a family of 4 could –with a gross income of \$127,600—qualify for the rebate. However, the family may need the \$10,000 as a down payment or capital cost reduction on a lease.

2022 Poverty Guidelines: Hawaii

Household /Family Size	Per Year																			
	25%	50%	75%	100%	125%	133%	135%	138%	150%	175%	185%	200%	225%	250%	275%	300%	325%	350%	375%	400%
1	\$3,908	\$7,815	\$11,723	\$15,630	\$19,538	\$20,788	\$21,101	\$21,569	\$23,445	\$27,353	\$28,916	\$31,260	\$35,168	\$39,075	\$42,983	\$46,890	\$50,798	\$54,705	\$58,613	\$62,520
2	\$5,265	\$10,530	\$15,795	\$21,060	\$26,325	\$28,010	\$28,431	\$29,063	\$31,590	\$36,855	\$38,961	\$42,120	\$47,385	\$52,650	\$57,915	\$63,180	\$68,445	\$73,710	\$78,975	\$84,240
3	\$6,623	\$13,245	\$19,868	\$26,490	\$33,113	\$35,232	\$35,762	\$36,556	\$39,735	\$46,358	\$49,007	\$52,980	\$59,603	\$66,225	\$72,848	\$79,470	\$86,093	\$92,715	\$99,338	\$105,960
4	\$7,980	\$15,960	\$23,940	\$31,920	\$39,900	\$42,454	\$43,092	\$44,050	\$47,880	\$55,860	\$59,052	\$63,840	\$71,820	\$79,800	\$87,780	\$95,760	\$103,740	\$111,720	\$119,700	\$127,680
5	\$9,338	\$18,675	\$28,013	\$37,350	\$46,688	\$49,676	\$50,423	\$51,543	\$56,025	\$66,363	\$69,098	\$74,700	\$84,038	\$93,375	\$102,713	\$112,050	\$121,388	\$130,725	\$140,063	\$149,400
6	\$10,695	\$21,390	\$32,085	\$42,780	\$53,475	\$56,897	\$57,753	\$59,036	\$64,170	\$74,865	\$79,143	\$85,560	\$96,255	\$106,950	\$117,645	\$128,340	\$139,035	\$149,730	\$160,425	\$171,120
7	\$12,053	\$24,105	\$36,158	\$48,210	\$60,263	\$64,119	\$65,084	\$66,530	\$72,315	\$84,368	\$89,189	\$96,420	\$108,473	\$120,525	\$132,578	\$144,630	\$156,683	\$168,735	\$180,788	\$192,840
8	\$13,410	\$26,820	\$40,230	\$53,640	\$67,050	\$71,341	\$72,414	\$74,023	\$80,460	\$93,870	\$99,234	\$107,280	\$120,690	\$134,100	\$147,510	\$160,920	\$174,330	\$187,740	\$201,150	\$214,560
9	\$14,768	\$29,535	\$44,303	\$59,070	\$73,838	\$78,563	\$79,745	\$81,517	\$88,605	\$103,373	\$109,280	\$118,140	\$132,908	\$147,675	\$162,443	\$177,210	\$191,978	\$206,745	\$221,513	\$236,280
10	\$16,125	\$32,250	\$48,375	\$64,500	\$80,625	\$85,785	\$87,075	\$89,010	\$96,750	\$112,875	\$119,325	\$129,000	\$145,125	\$161,250	\$177,375	\$193,500	\$209,625	\$225,750	\$241,875	\$258,000
11	\$17,483	\$34,965	\$52,448	\$69,930	\$87,413	\$93,007	\$94,406	\$96,503	\$104,895	\$122,378	\$129,371	\$139,860	\$157,343	\$174,825	\$192,308	\$209,790	\$227,273	\$244,755	\$262,238	\$279,720
12	\$18,840	\$37,680	\$56,520	\$75,360	\$94,200	\$100,229	\$101,736	\$103,997	\$113,040	\$131,880	\$139,416	\$150,720	\$169,560	\$188,400	\$207,240	\$226,080	\$244,920	\$263,760	\$282,600	\$301,440
13	\$20,198	\$40,395	\$60,593	\$80,790	\$100,988	\$107,451	\$109,067	\$111,490	\$121,185	\$141,383	\$149,462	\$161,580	\$181,778	\$201,975	\$222,173	\$242,370	\$262,568	\$282,765	\$302,963	\$323,160
14	\$21,555	\$43,110	\$64,665	\$86,220	\$107,775	\$114,673	\$116,397	\$118,984	\$129,330	\$150,885	\$159,507	\$172,440	\$193,995	\$215,550	\$237,105	\$258,660	\$280,215	\$301,770	\$323,325	\$344,880

Per Month

Under this bill's provisions, however, that down payment or lease cost reduction (cap cost reduction), is not available at the time of purchase, but comes available after application by the purchaser that can occur up to 6 months later, and this may give lending and leasing companies pause.

Most low- and moderate-income level purchasers of vehicle tend to purchase used vehicles. However, two of the bill's provisions create more complications.

The first of which is the provision that the vehicle...

"Has a manufacturer's suggested retail price of less than the maximum set by the program administrator;"

Used vehicles do not have a Manufacturers Suggested Retail Price

The price of a used vehicle is set by the market, not by a manufacturer. If the term "original" were added in the bill's language, that would address this issue, however, such a provision might then preclude the purchase of a used electric vehicle, at \$33,700*, for example IF its original MSRP of \$56,437, exceeded the administrator's qualifying price limit of \$50,000, or even \$40,000.

*Note: Recurrent Auto's used electric vehicle pricing report notes that "the average used EV price drops to \$33.7K, which is just \$7K more than the average used ICE (internal combustion engine) vehicle --, if one takes out vehicles over \$80K (which certainly are classified as *luxury*, even if used).

The second issue with the used vehicle provision is the warranty stipulation

The bill's language states that, to qualify for the rebate, a qualifying vehicle....

" (3) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least twenty-four months from the date of purchase;"

This warranty provision, however, will preclude the inclusion of some EVs in the rebate program. Many used EVs will come on the market after their 3-year lease period is reached, but those vehicles that have 4-year powertrain warranties, will see the preclusion of the purchase with rebate of a 4-year warranty used vehicle, because 24 months will not remain on the warranty in this example. Even with the 5-year-warranty vehicles, this issue also comes into play because of the tight time period remaining on the warranty in order to qualify for the rebate.

Here's a summary of EV warranties, with the inclusion of powertrain warranty periods:

COMPARING COVERAGE

Here's an overview of the warranty coverage included with 2019 model-year electric vehicles:

Model	Basic Coverage	Powertrain Coverage	Corrosion Coverage	Roadside Assistance	Battery Coverage
BMW i3	4/50,000	4/50,000	12/Unlimited	4/Unlimited	8/100,000
Chevrolet Bolt EV	3/36,000	5/60,000	6/100,000	5/60,000	8/100,000
Fiat 500e	4/50,000	4/50,000	5/Unlimited	4/Unlimited	8/100,000
Honda Clarity Electric	3/36,000	5/60,000	5/Unlimited	3/36,000	8/100,000
Hyundai Kona Electric	5/60,000	10/100,000	7/Unlimited	5/Unlimited	Unlimited
Jaguar i-Pace	5/60,000	5/60,000	6/Unlimited	5/60,000	8/100,000
Kia Niro EV	5/60,000	10/100,000	5/100,000	5/60,000	10/100,000
Kia Soul EV	5/60,000	10/100,000	5/100,000	5/60,000	10/100,000
Nissan Leaf	3/36,000	5/60,000	5/Unlimited	3/36,000	8/100,000
Smart ForTwo Electric Drive	4/50,000	4/50,000	4/50,000	4/50,000	8/100,000
Tesla Model 3	4/50,000	8/100,000 (long range 8/120,000)	--	4/50,000	8/100,000 (long range 8/120,000)
Tesla Model S	4/50,000	8/Unlimited	--	4/50,000	8/Unlimited
Tesla Model X	4/50,000	8/Unlimited	--	4/50,000	8/Unlimited
Volkswagen eGolf	3/36,000	5/60,000	7/100,000	3/36,000	8/100,000

Source: MYEV.com

In conclusion....

While there are many questions and concerns that have been raised about HB2090 HD2, HADA believes that working together on the larger question of the transition to renewable fuel vehicles, involves issues that all can be resolved.

We appreciate the opportunity to testify expressing our concerns that need to be addressed for a measure like this to be effective, and that is why HADA dealers much appreciate the proposed establishment of a ground transportation working group, as proposed in another bill, SB3311, SD2 that can help resolve the many complex market issues relating to the transition to electric vehicles.

68 new car dealerships, 4,383 direct jobs, \$5.8 billion total sales, \$269 million State Gross Excise Tax paid

HB-2090-HD-2

Submitted on: 3/17/2022 10:05:31 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Steve Parsons	Testifying for Small Biz owner and Kauai Climate Action Coalition	Support	Written Testimony Only

Comments:

Aloha Trusted Lawmakers!

I'm Steve Parsons and I strongly Support this bill. I am a Candidate for KIUC's Board, Surfrider Foundation Member, EV Hawaii and Kauai, and Kauai Climate Action Coalition. This is a GREAT bill please vote YES! This will help even the playing field for low to moderate income families AND allows them to live Healthier Lives as they are not breathing in the Fossil Fuel Pollution either! In addition, we are LOSING the Climate Crisis AND we need to STOP MONEY GOING TO BAD PLAYERS LIKE Putin.... Lastly, I'm proposing \$500 for used EVs and \$1000 Rebate from KIUC for purchase of New EV's Mahalo and IMUA>>>>

[Steve Parsons](#), Wailua, Kauai

HB-2090-HD-2

Submitted on: 3/17/2022 11:40:55 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Testifying for Climate Protectors Hawaii	Support	Remotely Via Zoom

Comments:

The Honorable Glenn Wakai, Chair, Bennette Misalucha, Vice Chair and Members of the Senate Committee on Energy, Economic Development, and Tourism, and

The Honorable Chris Lee, Chair, Lorraine Inouye, Vice Chair, and Members of the Senate Committee on Transportation

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

Re: Hearing **HB2090 HD2 RELATING TO ZERO EMISSION TRANSPORTATION.**

Hearing: Friday, March 18, 2022, 3:10 p.m., CR 224 and by videoconference

Aloha Chairs Wakai and Lee, Vice Chairs Misalucha and Inouye, and Members of the Committees:

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** this bill. **It will provide some low and moderate income people access to electric vehicles, helping with the environment, equity, and the people.**

In order to mitigate the destructive future impacts of the climate emergency, Hawai'i needs to lead the world by transitioning from gasoline and diesel vehicles to zero-emission vehicles for ground transportation.

This bill would create rebate incentives to assist low and moderate income families and relevant non-profit organizations in purchasing new or pre-owned zero-emission vehicles. This would help Hawai'i accelerate its transition to clean transportation. This bill is needed environmentally and will benefit low and moderate income families by reducing the barriers to entry into this market.

The bill should be amended with appropriation language if needed to ensure the PUC can access funding.

Please pass this bill!

Mahalo!

Climate Protectors Hawai'i (by Ted Bohlen)



Environmental Caucus of The Democratic Party of Hawai'i

Energy & Climate Action Committee

Friday, March 18, 2022, 3:10 pm

Senate Committees on Energy and Economic Development, Tourism, and Technology and on Transportation

HOUSE BILL 2090 – RELATING TO ZERO EMISSION TRANSPORTATION

Position: Strong Support

Me ke Aloha, Chairs Wakai and Lee, Vice-Chairs Misalucha and Inouye, and Members of the Committees on Energy and Economic Development, Tourism, and Technology and on Transportation:

SB2090 provides a rebate to qualified buyers of electric vehicles, from a special fund supplied by the barrel tax. This additional incentive for conversion of Hawaii's light-duty vehicle fleet shows intent that public policy is on track to reduce greenhouse gas (GHG) emissions, and to enlist both public and commercial interests in this effort.

An especially attractive feature of this bill is its intent to target low- and moderate-income buyers, to overcome a price barrier with relatively more expensive new electric vehicles.

Mahalo for your support of this bill.

/s/ Charley Ice & Ted Bohlen, Co-Chairs, Energy and Climate Action Committee
Environmental Caucus of the Democratic Party



SanHi

GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 17, 2022

TO: Senator Glenn Wakai
Chair, Committee on Energy, Economic Development, and Tourism

Senator Chris Lee
Chair, Committee on Transportation

FROM: Tiffany Yajima

RE: **H.B. 2090, H.D. 2 – Relating to Zero Emission Transportation**
Hearing Date: Friday, March 18, 2022 at 3:10 p.m.
Conference Room: 310

Dear Chair Wakai, Chair Lee, and Members of the Joint Committees:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony in **support** of H.B. 2090, H.D.2 and request an amendment to the definition of “Zero-emission vehicle.”

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.

Hawaii has one of the highest rates of adoption of passenger electric vehicles in the nation with more than 17,700 passenger electric vehicles registered in the state, and yet this number represents only a small percentage of the total number of registered vehicles in Hawaii.

Electric vehicle rebate programs have shown to be effective in encouraging consumers to purchase electric vehicles by bringing down the relatively higher cost of an electric vehicle compared to a gasoline-powered vehicle. Currently, there are 14 states that provide consumer rebates on the purchase or lease of electric vehicles, including California, Massachusetts, Connecticut, New York, New Jersey and Oregon. In California, 54% of EV purchasers surveyed indicated that they would not have purchased an electric vehicle without the state rebate. In fact, data from states with EV rebates indicates that most EV rebates go to consumers with moderate incomes and toward moderately-priced vehicles.

Because an electric vehicle can cost \$12,000 more than the gasoline-powered equivalent vehicle, this financial assistance would make electric vehicles more

affordable to low- and moderate-income individuals and, overall, would encourage greater adoption of passenger electric vehicles in the state.

We ask that the following amendment on page 10 at lines 4-5 be made to the definition of “Zero-emission vehicle”:

“Zero-emission vehicle” means a fuel cell electric vehicle or an electric vehicle as defined in HRS 291-71, but does not include neighborhood electric vehicles.

The current definition in the bill is problematic because it references HRS 26-6 which relies on 40 CFR 88.102-94, but there is no applicable federal “Zero Emission Vehicle Standard.” The offered amendment references existing Hawaii statute under chapter 291 and also includes plug-in hybrid electric vehicles (“PHEVs”) which are essential to a zero-emission vehicle rebate program. PHEVs are included in similar ZEV rebate programs in other states and are more economical and user-friendly ZEVs that have broader appeal to low- and moderate-income individuals that this program seeks to assist.

Auto Innovators look forward to the opportunity to work on this measure with the legislature and government agencies to craft a workable electric vehicle rebate program for the state. Consumer purchase incentives such as EV rebates are crucial to growing consumer confidence in this new vehicle technology and increasing the number of electric vehicles on the road. For these reasons, we ask the committees to pass this measure with amendments.

Thank you for the opportunity to submit this testimony.

HB-2090-HD-2

Submitted on: 3/15/2022 8:13:39 PM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Noreen Dougherty	Individual	Support	Written Testimony Only

Comments:

Representatives

I am very glad that this bill is alive and coming up for a vote. This bill is one that I strongly support which would enable zero-emission vehicle rebate program to enable low- and moderate-income families greater access to zero-emission vehicles.

When high- and moderate-income individuals and families purchase new used cars, many gas guzzlers, and huge SUVs, etc are sold to the lower income families including a high cost of keeping an older vehicle running. Keeping these vehicles on the road perpetuates the problem that we face now.

Please pass HB2090 HD2. Mahalo

Noreen Dougherty

Kapaa Hawaii

HB-2090-HD-2

Submitted on: 3/15/2022 9:48:42 PM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Camile Cleveland	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill. Supporting equitable access to electric vehicles is an essential piece of decarbonizing the transportation sector, and ensuring an equitable transition to transportation electrification. Mahalo for the opportunity to testify.

HB-2090-HD-2

Submitted on: 3/16/2022 10:25:59 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Douglas Perrine	Individual	Support	Written Testimony Only

Comments:

A rapid transition to low-emission vehicles is critical to avoid having our coastal areas swamped by rising seas, among other consequences of climate change. This program provides incentives to encourage citizens to voluntarily participate in saving our state and our planet. Please move the effective date forward to 2022.

Senator Glenn Wakai, Chair
Senator Bennette E. Misalucha, Vice Chair
Energy, Economic Development, and Tourism

Kristin Peterson
MSW Student at the University of Hawai'i at Mānoa

Friday, March 18, 2022

Re: Support for H.B. No. 2090 H.D. 2, Relating to Zero Emission Transportation

Aloha Senator Wakai, Senator Misalucha, Energy, Economic Development, and Tourism committee members, and community members,

My name is Kristin Peterson, and I am graduate student with the Thompson School of Social Work and Public Health at the University of Hawai'i at Mānoa. Thank you for this opportunity to submit testimony.

As a Hawai'i resident, I am concerned about our continued reliance on gasoline and the toll fossil fuels take on the fragile ecosystems in our state. I strongly support H.B. No. 2090 H.D. 2, Relating to Zero Emission Transportation. I humbly ask you to do the same.

Our gas guzzling cars are escalating climate change. As a chain of islands isolated in the Pacific, we can't afford to continue our current path. Below are some important statistics:

- Passenger vehicles are the largest source of petroleum use and emissions from ground transportation, according to a 2020 report from Hawai'i Natural Energy Institute.
- Each gallon of gasoline used creates 20 pounds of greenhouse gasses, according to the U.S. Department of Energy.
- Only around 1% of all registered passenger vehicles in the state are electric, as reported by Civil Beat in February, 2020.

The shockingly low percentage of privately owned electric vehicles in our state can largely be attributed to their cost. A 2022 Nissan LEAF on Oahu costs nearly \$28,000 but some electric vehicles are closer to \$40,000.

As a student soon to be entering the workforce in my chosen field of social work, my average annual earnings are likely to be around \$65,000, which is below the state's low-income threshold of \$67,500 set by the U.S. Department of Housing and Urban Development.

Without the support of H.B. No. 2090 H.D. 2, it would be impossible for me, and others like me in the community, to purchase more energy efficient vehicles. Rebates, like the one outlined in this bill, would make electric vehicles more affordable and accessible.

I ask you to pass H.B. No. 2090 H.D. 2. Thank you again for this opportunity to testify.

Mahalo nui loa,

Kristin Peterson

HB-2090-HD-2

Submitted on: 3/16/2022 11:49:30 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Chad K Taniguchi	Individual	Support	Written Testimony Only

Comments:

I support HB2090HD2.

Please consider including pedal assist electric bicycles as one of the vehicles that can be supported by rebate program.

HB 2090 HD 2 TESTIMONY

To: Senate Committee on Energy, Economic Development, and Tourism
Senate Committee on Transportation
Hearing on March 18, 2022 at 3:10 p.m.

From: John Kawamoto

Position: Support

After carbon dioxide is emitted into the atmosphere it stays there for 300 to 1,000 years, according to the National Aeronautics and Space Administration (NASA). What we do now to reduce carbon emissions will benefit many generations to come.

Everyone should be able to participate in reducing carbon emissions. This bill improves access to zero emissions vehicles for low- and moderate-income families and nonprofit organizations that provide services to them. This should be among a multitude of bills passed by the Legislature to mitigate climate change.

HB-2090-HD-2

Submitted on: 3/16/2022 4:38:26 PM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
GORAN RAD	Individual	Support	Written Testimony Only

Comments:

I support this BILL. PLEASE SUPPORT THIS BILL. SUPER IMPORTANT. Thank you

HB-2090-HD-2

Submitted on: 3/16/2022 11:31:41 PM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Janet L Pappas	Individual	Support	Written Testimony Only

Comments:

Dear EET and TRS committee members,

We strongly support HB2090 HD2.

Having driven an EV (Nissan Leaf) for the past 10 1/2 years, we can attest that these cars are very reliable and very low maintenance and would be perfect for low/middle income families. Please pass this bill to ensure that lower income families can gain access to electric vehicles. We also suggest incentives for rooftop solar for these families so that charging can be done at home and electric bills will be lower as well.

Thank you for considering this important bill.

Sincerely,

Jan Pappas and Ronald Yasuda

Aiea, Hawaii 96701



HB-2090-HD-2

Submitted on: 3/17/2022 10:40:53 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Support	Written Testimony Only

Comments:

 Please support passage for all residents of this 

With Malama for all,

Diane Ware, 99-7815 Kapoha Pl, Volcano Hi 96785

HB-2090-HD-2

Submitted on: 3/17/2022 11:12:27 AM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Tam Hunt	Individual	Support	Written Testimony Only

Comments:

I strongly support reviving EV rebates in Hawaii. Recent events have highlighted just how important it is to accelerate the transition away from fossil fuels, particularly here in Hawaii. EVs and other non-fossil transportation options are our best bets at this time.

LATE

HB-2090-HD-2

Submitted on: 3/17/2022 10:49:12 PM

Testimony for EET on 3/18/2022 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

There are many reasons to support this Bill. It benefits the environment and it encourages the use of healthier zero-emission vehicles that will result in monetary savings for families that need cars for daily work and life. Climate change is real and accelerating. We are already decades behind in an effort to stop its potential destruction, and we are already witnessing major negative effects from climate change, such as warmer ocean temperatures, drought, erosion of beaches, species loss, property destruction from flooding and beach erosion, on and on. Absolutely anything positive we can do to stop and possibly mitigate climate change effects must be done. It's the eleventh hour and there shouldn't be any hestiation about taking measures to reduce carbon emissions.

Thank you for introducing Bill 2090. I fully support.

Beth Anderson