

TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
ROSS M. HIGASH
EDUARDO P. MANGLALLAN
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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 1, 2022
3:00 P.M.
State Capitol, Teleconference

S.B. 3158
RELATING TO TRANSPORTATION.

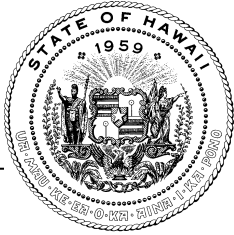
Senate Committee on Transportation

The Department of Transportation (DOT) **supports** this measure that proposes a program to subsidize the purchase of electric motor vehicles and electric bicycles.

The DOT is committed to meeting the state's clean energy goals and supports the wide-spread adoption of electric vehicles. The department's track record includes a significant purchase of light-duty electric vehicles for its fleet in 2021 with plans to continue to convert its fleet over the next few years. There are photovoltaic panels installed at DOT field offices statewide designed to power electric vehicle charging stations in the near future. In addition, the DOT pursues strategies to support expansion of electric vehicle charging facilities across the state.

The DOT notes that its three modal divisions are very aware of how costs of transportation impact the cost of living for all Hawaii's residents, and the department aims to minimize these impacts through its projects. The DOT considers land and housing costs the most significant factors in cost of living and contemplates how its Highways Division projects can reduce costs of living as it identifies priorities.

Thank you for the opportunity to provide testimony.



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 COMMITTEE ON TRANSPORTATION

Tuesday, February 1, 2022
Time 3:00 PM
State Capitol, Via Videoconference

In SUPPORT of
SB 3158
RELATING TO TRANSPORTATION.

Chair Lee, Vice Chair Inouye, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports SB 3158, which appropriates funds for subsidies to encourage the purchase and use of electric motor vehicles and bicycles.

Electric bikes are significantly more cost effective and better for the environment than gas powered motor vehicles and provide a zero-emission technology that is accessible to a broader range of Hawaii residents than passenger vehicles. To the extent that Hawaii residents require passenger vehicles, the State's clean energy goals are more readily met by the ubiquitous adoption of zero emission vehicles that utilize local, renewable energy sources.

HSEO would recommend that rebates for zero emission passenger vehicles and other transportation technologies be flexible to account for a changing market in terms of both forms of transportation such as passenger vehicles, motorcycles, scooters, and bicycles, as well as zero emission propulsion technologies including but not limited to battery electric and hydrogen.

HSEO stands ready to coordinate with state agencies and stakeholders to develop specific language that meets the policy objectives as identified in the purpose of SB 3158.

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
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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 COMMITTEE ON TRANSPORTATION
ON
SENATE BILL NO. 3158

February 1, 2022
3:00 p.m.
Via Videoconference

RELATING TO TRANSPORTATION

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

Senate Bill No. 3158 appropriates an unspecified amount of general funds in FY 23 to the Department of Transportation for subsidies for use by low-income persons to encourage the purchase and use of electric motor vehicles and electric bicycles.

B&F notes that the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: January 30, 2022

TO: Senator Chris Lee
Chair, Committee on Transportation

FROM: Tiffany Yajima

RE: **S.B. 3158 – Relating to Transportation**
Hearing Date: Tuesday, February 1, 2022 at 3:00 p.m.
Conference Room: Video Conference

Dear Chair Lee, Vice Chair Inouye, and Members of Committee on Transportation:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony in **support** of S.B. 3158.

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 about 5.7% percent 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.

S.B. 3158 would appropriate an unspecified amount of revenue for fiscal year 2022-2023 to subsidize the purchase of electric motor vehicles in addition to electric bicycles by low-income individuals. This incentive would provide much needed financial assistance and encourage greater adoption of passenger electric vehicles because data indicates that most EV rebates go to consumers with moderate incomes and toward moderately-priced vehicles.

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



Email: communications@ulupono.com

SENATE COMMITTEE ON TRANSPORTATION
Tuesday, February 1, 2022 — 3:00 p.m.

Ulupono Initiative supports SB 3158, Relating to Transportation.

Dear Chair Lee and Members of the Committee:

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 SB 3158, which appropriates funds for subsidies to encourage the purchase and use of electric motor vehicles and bicycles.

Ulupono supports Hawai'i's reduction of fossil fuel use as we strive to meet the State's 100% renewable goal by 2045. Ulupono finds that electric vehicles (EVs) are an important avenue to address Hawai'i's pressing climate issues and align with the State's energy and environmental goals. EVs currently offer an effective option to advance clean, renewable ground transportation and provide immediate benefits to Hawai'i.

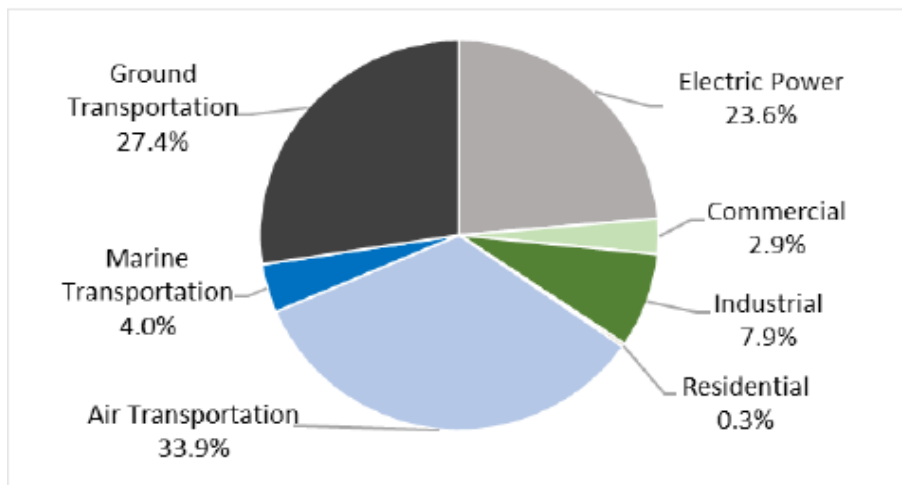
EVs Provide Immediate Energy and Environmental Impact

Ground transportation alone utilizes more than a quarter of the state's imported petroleum. Electrifying ground transportation will reduce our demand for imported fossil fuels, keeping millions of dollars in the state and cutting harmful pollution.

Converting from petroleum-based vehicles to EVs immediately reduces GHG emissions, helping combat climate change and its impacts on our islands. EVs produce zero-emissions at the tailpipe, and even when full lifecycle emissions (from manufacturing through disposal) are considered, EV emissions are approximately 50 percent lower than internal combustion engine (ICE) vehicles.

Investing in a Sustainable Hawai'i

Figure 8 - Hawai'i's Petroleum Use by Sector, 2018



Source: Hawai'i State Energy Office – Hawai'i Energy Facts & Figures

To help optimize implementation of this bill, we recommend that this committee consider a funding partnership/collaboration with Hawai'i Department of Transportation and the Hawai'i State Energy Office.

This bill is an important measure for the State to push for the decarbonization of our economy and supporting the LMI community, while continuing to show the world that Hawai'i is a clean energy leader.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

SB-3158

Submitted on: 1/31/2022 2:51:56 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Sandie Wong	Testifying for Tesla	Support	Yes

Comments:

Tesla supports this measure. Thank you.



LATE

SENATE COMMITTEE ON TRANSPORTATION

February 1, 2022, 3:00 P.M.

Video Conference

TESTIMONY IN SUPPORT OF SB 3158, SUGGESTED AMENDMENT

Aloha Chair Lee, Vice Chair Inouye, and Committee members:

Blue Planet Foundation **supports SB 3158**, which would provide subsidies for low- and moderate-income residents to purchase electric vehicles and bicycles.

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 Senate Bill 3158 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.

Suggested Amendment: The bill is currently structured to allow for subsidies out of the general fund. Blue Planet recommends that any such program be funded 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>.

SB-3158

Submitted on: 1/31/2022 1:09:44 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
JC Sterbentz	Testifying for Hawaii Bicycling League	Support	No

Comments:

Hawaii Bicycling League supports SB3158 to encourage people to reduce their impact on the environment. Electric cars have the added advantage of improving the air quality on the streets which makes it more pleasant and healthier for those biking and walking. Electric bikes open up this mode of transportation to those who prefer not to get sweaty or out of breath yet want to enjoy the outdoors and pollute less. Providing this for lower-income residents will help give those struggling a healthy more affordable way to get around. Mahalo.

SB-3158

Submitted on: 1/29/2022 1:38:09 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Charles Prentiss	Individual	Comments	No

Comments:

Please be aware that people are riding electric bikes on sidewalks at near 25 MPH.