

TESTIMONY OF
LEODOLOFF R. ASUNCION, JR.
CHAIR, PUBLIC UTILITIES COMMISSION
STATE OF HAWAII

TO THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

March 21, 2023
2:00 p.m.

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

MEASURE: S.B. No. 459, SD2, HD1

TITLE: RELATING TO THE HYDROGEN FUELING SYSTEM SUBACCOUNT

DESCRIPTION: Appropriates funds from the Hydrogen Fueling System Subaccount within the Public Utilities Commission Special Fund for the Zero-Emission Vehicle Fueling System Rebate Program. Effective 6/30/3000. (HD1)

POSITION: The Public Utilities Commission (“Commission”) supports this measure and offers the following comments for consideration.

COMMENTS:

The Commission supports this measure, which appropriates funds for the Zero-Emissions Vehicle (ZEV) rebate program, which was established via Act 241 SLH 2022. It is the Commission’s understanding that this program requires direct appropriation in order for the Commission to expend deposited barrel tax funds. Therefore, this added language is necessary to ensure proper establishment of the ZEV rebate program.

The Commission notes that the proposed appropriation amounts are based on the ongoing and estimated deposits from 3 cents of the barrel tax, with initial collections having begun in July 2022 via Act 241 SLH 2022. The Commission is also currently seeking a recurring or permanent spending authority for this ZEV program, via SB354/HB300 (HD 1). However, the Commission observes that the ceiling for spending authority in SB354/HB300 (HD 1) is currently requested at a \$750,000 level and requests that should this measure pass that the appropriation amount be at least \$750,000, with any higher appropriation amount be reflected in an increase to the Commission’s ceiling level in order to match the appropriation amount and ensure the Commission can expend the full amount of funds.

Thank you for the opportunity to testify on this measure.



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Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

**RE: SB 459 SD2 HD1 - Relating to the Hydrogen Fueling System Subaccount – In Support
March 21, 2023; 2:00 P.M.; Conference room 329 & Videoconference**

Aloha Chair Nakashima, Vice Chair Sayama, and members of the committee:

Servco is in support of SB 459 SD2 HD1, which appropriates funds from the Hydrogen Fueling System Subaccount within the Public Utilities Commission Special Fund for the Zero-Emission Vehicle Fueling System Rebate Program.

The demand for alternative forms of refueling vehicles will continue to grow in support of Hawaii's 100% energy goals. A significant barrier to the adoption of zero-emission vehicles is access to fueling stations.

With efforts underway to accelerate Hawaii Pacific Hydrogen Hub proposal to the US Department of Energy's Regional Clean Hydrogen Hub (H2Hub) program, SB 459 SD2 HD1 recognizes that additional resources for fueling stations are required to compliment the H2Hub production, processing, delivery, storage, and end-use of clean hydrogen. This measure helps to facilitate the Zero-Emissions Vehicle (ZEV) fueling system rebate program established via Act 241 SLH 2022.

Servco has invested millions of dollars into hydrogen production facilities and will continue to invest as we believe in its future. The long-term export potential of hydrogen across the globe is not only a revenue generating opportunity but also yields environmental benefits. We appreciate the efforts made by the State Legislature to make improvements to the program in pursuit of our clean energy mandate.

Thank you for the opportunity to provide comments in support.

Peter Dames
Executive Vice President



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GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 20, 2023

TO: Representative Mark Nakashima
Chair, House Committee on Consumer Protection and Commerce

FROM: Tiffany Yajima

RE: **S.B. 459, S.D.2, H.D. 1 – Relating to the Hydrogen Fueling System Subaccount**
Hearing Date: Tuesday, March 21, 2023 at 2:00 p.m.
Conference Room: 329

Dear Chair Nakashima, Vice Chair Sayama, and Members of the Committee on Consumer Protection and Commerce:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony in **support** of S.B. 459, S.D.2, H.D. 1, which appropriates funds from the Hydrogen Fueling System Subaccount within the PUC Special Fund to be used for the Zero-Emission Vehicle Fueling System Rebate Program.

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.

In 2022, the Legislature passed Act 241 which established the ZEV Fueling Station Rebate Program and a hydrogen fueling system subaccount within the PUC Special Fund for the installation or upgrade of hydrogen fueling systems. This measure is needed to ensure the proper establishment of the ZEV Fueling System Rebate Program.

Automobile manufacturers have invested billions in the research and development of hydrogen as a feasible alternative fuel for motor vehicles. Auto Innovators recognize the importance of government support for infrastructure projects like hydrogen fueling stations that are essential to meeting the demand for zero emission vehicles in the state. For these reasons, we ask the committees to pass this measure.

Thank you for the opportunity to submit this testimony.