



TESTIMONY BY:
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DIRECTOR

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

February 13, 2023
10:30 A.M.
State Capitol
Via Videoconference
Conference Room 211

S.B 809 S.D. 1
RELATING TO TRANSPORTATION

Senate Committee on Ways and Means

The Department of Transportation (DOT) **supports** this measure with recommendations.

This measure changes the name of the electric bicycle and electric moped rebate program to the electric mobility rebate program and expands the scope of the program to include electric micro-mobility devices and an additional rebate type. Furthermore, the measure does the following:

- Deleting language that would have defined an electric micro-mobility device to be designed to transport a single person.
- Repealing the requirement that eligible individuals under the Electric Mobility Rebate Program cannot own a motor vehicle with four or more wheels.
- Inserting language to allow for ten percent of the appropriation out of the Electric Mobility Subaccount to be used for the Department of Transportation's administration of the program.
- Making technical, non-substantive amendments for the purposes of clarity and consistency .

The DOT is committed to administering this rebate program as it aligns with the state's clean energy goals and supports the wide-spread adoption of small electric vehicles. This program will offer lower cost and zero-emission travel and commuting alternatives to Hawai'i's residents. The current version of this measure provides flexibility for the department to effectively manage this program.

Implementation of the electric bicycle and electric moped rebate program created by Act 306, Session Laws of Hawaii 2022 was delayed as the bill did not provide for expenditure authority of the general funds appropriated.

The DOT recommends the following amendments:

- Repeal of Act 306, Session Laws of Hawaii 2022.
 - Act 306 is no longer viable, and the DOT recommends establishing the Electric Mobility Rebate Program.
 - Section 196-7.8, Hawaii Revised Statutes, Electric bicycle and electric moped rebate program; third-party; repeal of this subaccount special fund.
 - Section 264-122 (d), Hawaii Revised Statutes, Highway development special fund electric bicycle and electric moped repeal of this subaccount.

- Chapter 196, Hawaii Revised Statutes, revise by adding a new section that establishes the Electric Mobility Rebate Program; third party administrator; special fund.
 - The new section would establish the Electric Mobility Rebate Program.
 - Expands the scope of the program to include the electric micro-mobility devices and an additional rebate type.
 - Will allow eligible individuals to own a motor vehicle with four or more wheels.
 - Would allow the DOT to contract with a third-party administrator.
 - Subsection d (2)
 - To omit the requirement that at the time of sale, the signature of the buyer and individual responsible for the sale on behalf of a retail store. The signature is not necessary at this juncture. When applying for a rebate, a copy of the valid government issued photo identification of the buyer may be used as verification of eligibility to demonstrate the legitimate purchase of a new bicycle or new electric moped.
 - Revision to allow legitimate purchase to include an electric micro-mobility device.

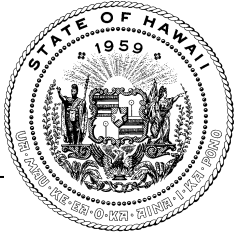
- To appropriate general funds for fiscal years 2022-2023, 2023-2024, and 2024-2025 to be deposited into the electric mobility special fund. The amounts to be deposited into electric mobility special is to be determined.

- To appropriate electric mobility special funds for fiscal years 2022-2023, 2023-2024, and 2024-2025 for the purposes of the electric mobility rebate program. The amounts appropriated is to be determined. Funds appropriated shall not lapse at the end of the fiscal year for which it was appropriated, but any unencumbered funds remaining shall lapse at the end of the following fiscal year.

- Amend Chapter 264, Hawaii Revised Statutes by adding a new section that establishes the electric mobility special fund in the state treasury to be administered by the DOT for the purposes of the electric mobility rebate program.

- Although the highway development special fund electric bicycle and electric moped subaccount was created in Section 264-122, HRS, with the intent to be used for the electric bicycle and electric moped rebate program, the highway development special fund was intended for deposits to and expenditures from support of the Highways Capital Improvement program. The rebate program is an operating function and does not implicate any CIP program. The DOT recommends abolishing the highways development special fund bicycle and electric moped subaccount and establish a new special fund to address the before mentioned concerns.

Thank you for the opportunity to provide testimony.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

LATE

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 10, 2023
10:30 AM
State Capitol, Conference Room 211 and Videoconference

In SUPPORT of
SB 809, SD1

RELATING TO TRANSPORTATION.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports SB 809, SD1, which appropriates funding for the electric mobility rebate program and expands eligibility of the program to micro-mobility options such as to electric powered standing scooters, skateboards and other similar devices.

For Hawaii to meet its statutory target “to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045”, significant reductions in emissions from ground transportation will need to be made in the near to medium term. For significant reductions to be made all market segments in Hawaii need to be addressed. SB 809, SD1, supports the proliferation of low-emission transportation options, including micro-mobility options which can reduce transportation emissions.

SB 809, SD1, may be particularly impactful in reducing fossil-fuel powered vehicle miles traveled and related transportation emissions because the majority of trips taken in Hawaii are short trips, the ideal trip to be made via micro-mobility options. According to the Drivers of VMT and Priority Reduction Strategies Report for Hawaii, 30% of all trips made are under 1 mile, 60% of trips made are under 3 miles, and 70%

of trips made are under 5 miles.¹ This presents the State the tremendous opportunity to reduce fossil-fuel powered vehicle miles traveled and related transportation emissions by incentivizing the purchase of micro-mobility options that could serve residents' short trip needs.

SB 809, SD1, can reduce the cost of transportation for residents who need it the most. After housing, childcare, and food, the cost of transportation in Hawaii represents the biggest monthly expense for many residents.² While the high costs affect everyone, they especially hit low-income people who are struggling to get by. The average cost of owning a vehicle in Hawaii is \$8,100 annually, or \$675 per month, when factoring in the various costs, including gas, maintenance and insurance.³ With 80% of Hawaii households owning two or more cars⁴, households who do own at least two cars face a \$16,200 annual expense, or about \$1,350 a month for transportation. Rebates for electric bicycles, scooters, and other micro-mobility devices will provide low-income residents with greater access to a diversity of affordable travel options while helping reduce Hawaii's greenhouse gas emissions.

Thank you for the opportunity to testify.

¹ "Drivers of VMT and Priority Reduction Strategies for Hawaii." State Smart Transportation Initiative. 2022.

² <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includin%20gas%2C%20maintenance%20and%20insurance.>

³ <https://ulupono.com/news-listing/report-examines-hawaii-s-21-8-billion-vehicle-economy/>

⁴ <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includin%20gas%2C%20maintenance%20and%20insurance.>



February 9, 2023

Senator Donovan M. Dela Cruz
Senator Gilbert S.C. Keith-Agaran
Senate Committee on Ways and Means

Subject: Support for SB809 SD1, Expanding the Electric Bicycle and Electric Moped Rebate Program

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

On behalf of the PeopleForBikes Coalition, I write to you in support of SB809 SD1, that if signed into law, would expand the electric bicycle purchase incentive program in Hawai'i.

The PeopleForBikes Coalition is the national advocacy group that works for better policies and infrastructure for bike riding. We are the sole national trade association, representing over 320 manufacturers, suppliers, and distributors of bicycle products and representing over 1.4 million riders in the U.S. We work to make bike riding a safer and more inclusive activity for everyone, including those who ride electric bicycles.

Electric bicycles (e-bikes) are the future of personal mobility and recreation thanks to their environmental benefits and inclusive nature. They are becoming increasingly popular as they help relieve themselves of the financial burdens of car ownership. A new e-bike costs less than 10% that of a new car, and annual maintenance fees are similarly less than 5% of the \$10,200 that an average car-owner in Hawaii spends annually on vehicle ownership¹. With advancements in battery technology, motor design, and cargo carrying capacity, electric bicycles are now a viable full-time transportation option for many Americans. They are therefore a critical tool for achieving our nation's climate, environmental, health, and transportation objectives.

We applaud several elements of SB809 SD1 that reflect best practices we have learned from supporting similar legislation across the nation. First, tiering incentive amounts such that residents on public assistance programs are eligible to receive a higher incentive amount (\$1,000 or 40% of purchase price, compared to the base amount of \$500 or 20% for non-income qualified residents) will allow low-income customers better access to high-quality reliable bicycles. Secondly, lowering the eligible age from 18 to 16 will allow more students to consider the option of an electric bicycle rather than a car when they reach legal driving age, enabling sustainable habits to form at this important juncture.

¹ Ulupono Initiative, [The Costs of Vehicle Ownership in Hawai'i](#). 2021

Lastly, we would like to offer the following thoughts on the language of the bill for your consideration.

1. **Make the program voucher-based or provide an instant rebate option.** Despite the inclusive provisions in the bill, low-income customers are far less likely to have the funds available to purchase an electric bicycle at full cost then wait months for a rebate check, which may discourage them from using the program. Creating a program that is centered around voucher-based incentives or instant rebates makes it much more appealing to consumers that could benefit from the electric bicycles the most. PeopleForBikes has examples of how this has been done in other states - including [Vermont](#), [Connecticut](#), and [Denver](#) via approved retailer application - and has shared that information with the Hawai'i Department of Transportation. It is our understanding that the DOT is currently considering ways to structure the program as a point-of-sale incentive.
2. **Modify bill language to be inclusive of online retailers.** The bill language currently seems to suggest that all customers will be purchasing from brick-and-mortar retail stores. While we understand the many brands do not ship to Hawai'i, some indeed do and customers would benefit from these retailers being eligible for this incentive. This would better serve customers who do not live near an e-bike retailer, as well as offering all customers expanded options to meet their unique needs. The eventual program administrator could design an application process by which online brands would have to prove that their bicycles can be serviced locally and that their batteries and components meet industry safety standards.
3. **Make safety accessories eligible purchases.** Additional financial incentives for bicycling safety accessories (i.e. helmet, lock, panniers, baskets, etc.) may further encourage the use of the program and diverse participation. This is especially true for new riders and/or enabling those transporting children and cargo loads, which is essential to replacing many types of car trips. We are seeing several other states like Colorado, Oregon, and New Hampshire offering \$100 - \$200 in additional incentives for accessories.

Thank you again for your leadership on this important issue. We believe that the most successful electric bicycle incentive programs are ones that are created alongside local advocates and retailers. We want to continue supporting this bill as you usher it through the legislative process.

I appreciate your consideration and welcome the opportunity to provide any further information.

Sincerely,

Kyler Blodgett
State & Local Policy Analyst
PeopleForBikes Coalition



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SENATE COMMITTEE ON WAYS AND MEANS
Friday, February 10, 2023 – 10:30am

Hawai'i Bicycling League Supports SB809 SD1, relating to Electric Bicycle Rebates

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

My name is Travis Counsell, and I am the Executive Director of the Hawai'i Bicycling League (HBL). We are a non-profit organization founded in 1975 with the mission of enabling more people to ride bicycles for health, recreation, and transportation. We strive to create communities across our islands that have safe, accessible, and inclusive environments for people to bike, walk, and roll.

Hawai'i Bicycling League supports SB809 SD1, which renames the Electric Bicycle and Electric Moped Rebate Program as the Electric Mobility Rebate Program, as well as expands the scope of the program to include electric micro-mobility devices. It also appropriates funds for the program.

We applaud the expansion of this program to make affordable and reliable transportation options available for a broader audience. With the cost of living rising substantially in recent years and transportation being a significant portion of those cost, this program seeks to provide lower cost transportation alternatives. Electric bicycles, mopeds, and other micro-mobility devices are the future of personal transportation. These devices not only reduce the cost of living but are a critical tool for achieving the State's climate goals.

Mahalo for the opportunity to provide testimony. Please support **SB809 SD1** and help create more affordable transportation alternatives.

Ride Aloha,

Travis L. Counsell
Executive Director
Hawai'i Bicycling League



Email: communications@ulupono.com

SENATE COMMITTEE ON WAYS & MEANS
Friday, February 10, 2023 — 10:30 a.m.

Ulupono Initiative supports SB 809 SD1, Relating to Transportation.

Dear Chair Dela Cruz 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 choices, and better management of freshwater resources.

Ulupono supports SB 809 SD1, which renames the Electric Bicycle and Electric Moped Rebate Program as the Electric Mobility Rebate Program; expands the scope of the program to include electric micro-mobility devices and an additional rebate type; and, repeals the requirement that eligible individuals cannot own a motor vehicle with four or more wheels.

We would enthusiastically applaud the expansion of the program to more electric mobility devices, the addition of more funding for the program, and increased support available for those for whom access to affordable and reliable transportation can be life-changing. In 2022, the City of Denver's e-bike subsidy program touted the following outcomes¹:

- Delivering actual mode shift and reduced emissions
 - On average, e-bike users ride 26 miles a week with 22 of those miles replacing car travel
 - 71% of survey respondents said they are using gas-powered vehicles less often
 - E-bikes in the rebate program are replacing on average more than 100,000 vehicle miles weekly
- Improving access to opportunities and destinations for those who need it
 - On average, income-qualified residents ride their e-bikes more than standard rebate recipients—32 miles weekly vs. 22 miles weekly
- Illustrating how the subsidy made a difference in their consumer decisions

¹ <https://www.denverpost.com/2023/01/05/ebike-rebate-program-denver-2023/>

- 96% of respondents said the voucher made the difference when deciding to buy an e-bike

Ulupono Initiative welcomes these same types of benefits here in Hawai'i with the anticipated launch of Hawai'i's program in February 2023.

We offer a recommendation for consideration based on the Transportation Research and Education Center's 2022 white paper on "Using E-bike Purchase Incentive Programs to Expand the Market—North American Trends and Recommended Practices."²

- Evaluate the program annually to ensure it is meeting its stated outcomes. It would also be beneficial to assess other outcomes desired by other state goals such as vehicles miles traveled, mode shift, active living, etc.

Electric mobility devices can transform our community's transportation habits easily and help provide real transportation choices. We look forward to the success of the program.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

² https://ppms.trec.pdx.edu/media/project_files/E-bike_Incentive_White_Paper_5_6_2022.pdf

Aloha,

My name is Mark Librie, and I would like to submit written testimony on Bill SB809 SD1. As we all know, traffic woes, environmental concerns, and the cost associated with gas powered automobiles are a driving factor for electric modes of transportation, which includes e-bikes, e-mopeds, and e-mobility devices (skateboards, Segways, one wheels, ect). Of these e-bikes are the most economicly affordable, and Hawaii's weather makes them all a great choice. Hawaii can, and will be a leader in people using these modes of transportation. As an incentive to get local folks buying, and using them, the rebate program will be huge. Imagine having U.H. students, high school students, urban dwellers, and people who live and work with-in a few miles riding e bikes and e-mopeds instead of driving. They will help with traffic congestion, parking woes, and a host of environmental issues. I have been riding e bikes for over 10 years now. The traffic where we are from, in Lanikai has become ridiculous, with over an hour somedays to get to Kalapawai market, and yet, we can get into Kailua on our bikes in a matter of minutes. I also save on gas, since I fill up my truck about every 2 to 3 weeks.

To summarize, e mobility devices are a great way to start obtaining the goals we all want. With the passing of Bill SB809 SD1, you, the legislature can make them economically available to everyone in our home.

Mahalo,
Mark Librie
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Kailua, HI 96734