

ACT 202

S.B. NO. 2720

A Bill for an Act Relating to Energy.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that climate change caused by carbon emissions from burning fossil fuels poses a serious threat to the economic well-being, public health, natural resources, and environment of Hawaii. The State has committed to eliminating fossil fuels from the electricity and ground transportation sectors, abiding by the Paris Climate Accord's goal to limit the amount of global warming to less than 1.5 degrees Celsius, and achieving negative carbon emissions for Hawaii by 2045. The legislature also finds that meeting the State's clean energy goals and commitments necessitates the rapid transition to zero-emission vehicles that utilize local, renewable energy sources.

The legislature further finds that the number of electric vehicles in Hawaii is rising. As more electric vehicles come to market, the ranges of electric vehicles increase and the cost of electric vehicles decrease. The legislature also notes that the number of registered electric vehicles in Hawaii increased more than thirty per cent during 2021, while the number of registered gasoline-powered vehicles has decreased.

The legislature believes that while there is a growing interest in electric vehicles among Hawaii residents, the lack of adequate vehicle charging infrastructure presents a key barrier to widespread adoption. Many Hawaii residents, such as renters and other residents living in apartment buildings and other multi-family dwellings, lack access to electric vehicle charging stations at home and at work because a vast majority of parking facilities in the State lack electric vehicle charging stations. In 2019, recognizing that a lack of charging infrastructure remains a barrier to more widespread adoption of electric vehicles, the legislature established an electric vehicle charging system rebate program to incentivize the installation of publicly available charging stations and charging stations that serve multiple tenants, employees, or customers, or electric vehicle fleets.

The legislature additionally finds that the continuation of the electric vehicle charging system rebate program is a critical component of the State's efforts to transition off of fossil fuels and achieve a carbon-negative economy by 2045. Furthermore, the program should work in tandem with, and not duplicate, any available federal funding to further the goal of expanding the network of electric vehicle charging systems in the State. To ensure that the program is keeping pace with market and technology changes, periodic program adjustments

may be needed from time to time. Flexibility in program implementation can help ensure that the program is adequately and sufficiently deploying rebates to priority locations in furtherance of the State’s clean energy and carbon reduction goals, including in multi-family dwellings; at workplaces that can support daytime charging; in parking facilities that can support the visitor industry’s transition to clean transportation, such as at hotels and rental car facilities; and in areas that will help to make the purchase of an electric vehicle a choice for Hawaii’s low and moderate-income working families. Expanding rebate eligibility to a wider variety of electric vehicle charging systems can increase program participation and accelerate charging system deployment.

The purpose of this Act is to:

- (1) Provide a rebate for new or upgraded Level 2 charging stations with one port;
- (2) Eliminate the annual cap on rebates, but provide that rebates are subject to the availability of funds;
- (3) Amend and add flexibility to the guidelines for consideration by the public utilities commission in administering the program;
- (4) Increase the maximum percentage of rebate program appropriations that may be expended for administrative costs and allow for marketing and outreach expenses to be included among allowable program administration expenses; and
- (5) Appropriate funds out of the electric vehicle charging system subaccount for the electric vehicle charging system rebate program.

SECTION 2. Section 269-72, Hawaii Revised Statutes, is amended to read as follows:

“~~§~~269-72 **Electric vehicle charging system; rebate program.** (a) The public utilities commission, in consultation with electric vehicle stakeholders and the Hawaii state energy office, shall administer a rebate program that incentivizes the installation or upgrade of an electric vehicle charging system, as provided in this section, and may contract with a third-party administrator pursuant to section 269-73 to operate and manage the rebate program.

(b) An applicant may be eligible for a rebate under the rebate program if the applicant:

- (1) Installs a new electric vehicle charging system where none previously existed to either:
 - (A) An alternating current Level 2 station with ~~two~~ one or more ports that provide electricity to ~~two~~ one or more electric vehicles; or
 - (B) A direct current fast charging system; or
- (2) Upgrades an existing electric vehicle charging system to either:
 - (A) An alternating current Level 2 station with ~~two~~ one or more ports that provide electricity to ~~two~~ one or more electric vehicles; or
 - (B) A direct current fast charging system.

(c) Subject to subsection ~~[(d)]~~ (f), rebates shall be distributed as follows:

- (1) Each eligible installation of an electric vehicle charging system shall receive:
 - (A) Up to \$2,000 for the installation of an alternating current Level 2 station with one port;
 - ~~[(A)]~~ (B) Up to \$4,500 for the installation of an alternating current Level 2 station with two or more ports; and
 - ~~[(B)]~~ (C) Up to \$35,000 for the installation of a direct current fast charging system; and

- (2) Each eligible upgrade of an electric vehicle charging system shall receive:

(A) Up to \$1,300 for the upgrade to an alternating current Level 2 station with one port;

~~[(A)]~~ (B) Up to \$3,000 for the upgrade to an alternating current Level 2 station with two or more ports; and

~~[(B)]~~ (C) Up to \$28,000 for the upgrade to a direct current fast charging system.

~~[(d)]~~ ~~The public utilities commission shall not issue more than \$500,000 in total rebates under this section each fiscal year.~~

~~[(e)]~~ (d) The public utilities commission shall:

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

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

~~[(f)]~~ (e) This section shall apply to electric vehicle charging systems that are installed or upgraded after December 31, 2019.

~~[(g)]~~ (f) Applicants shall submit applications to the public utilities commission within twelve months of the date that the newly installed or upgraded charging system is placed into service to claim a rebate from the electric vehicle charging system rebate program. Failure to apply to the commission within twelve months of the date that the newly installed or upgraded charging system is placed into service shall constitute a waiver of the right to claim the rebate. Rebates shall be subject to available funds, and the program administrator shall not approve additional rebates for the remainder of the fiscal year after program funds have been fully exhausted.

~~[(h)]~~ (g) Nothing in this section shall alter taxes due on the original purchase or upgrade price of an electric vehicle charging system ~~[prior to]~~ before the application of the rebate. Any rebate received pursuant to the electric vehicle charging system rebate program shall not be considered income for the purposes of state or county taxes.

~~[(i)]~~ (h) In administering the electric vehicle charging system rebate program, the public utilities commission shall give consideration to the following guidelines:

- (1) Priority should be given to electric vehicle charging systems that are publicly available~~[-];~~; serve multiple tenants, employees, or customers~~[-, or];~~; support the visitor industry in transitioning to clean transportation; or serve low-income, moderate-income, or environmental justice communities;
- (2) Electric vehicle charging system rebates should enhance broader public clean energy and grid resiliency goals by supporting deployment of electric vehicle charging systems that can regulate their time of use, be networked and co-optimized with other electric vehicle charging systems, and otherwise provide grid services or other benefits to the utility and electric grid; ~~[and]~~
- (3) Electric vehicle charging systems that serve a single person, such as a reserved parking stall or a single-family residence, shall not be eligible for rebates~~[-];~~;
- (4) Electric vehicle charging system rebates should support accessibility of charging to as many electric vehicle drivers as feasible; and
- (5) The program administrator may propose new or modified guidelines to be considered in addition to those specified in this subsection

and should have the flexibility to make programmatic adjustments due to market changes, technological advancements, and levels of participation to ensure the prudent use of taxpayer funds and to effectively manage the program budget.

(j) (i) As used in this section:

“Alternating current Level 2 charging station”, commonly referred to as “Level 2 charging station”, means an electric vehicle charging system that utilizes alternating current electricity providing at least three kilowatts and means a system that:

- (1) Is capable of providing electricity from a non-vehicle source to charge the batteries of one or more electric vehicles;
- (2) Meets recognized standards and protocols including, but not limited to, Society of Automotive Engineers (SAE) J1772™ of SAE International and Tesla protocol; and
- (3) Is designed and installed in compliance with article 625 of the National Electrical Code to appropriate Nationally Recognized Testing Laboratories’ standards.

“Applicant” means an individual; non-profit or for-profit corporation; local, state, or federal government agency; homeowner association; or any other eligible entity as defined under rules adopted for the electric vehicle charging system rebate program.

“Direct current fast charging system”, commonly referred to as “DC fast charging system”, means an electric vehicle charging system that utilizes direct current electricity providing forty kilowatts or greater and:

- (1) Is capable of providing electricity from a non-vehicle source to charge the batteries of one or more electric vehicles;
- (2) Meets recognized standards and protocols, including, but not limited to, Society of Automotive Engineers (SAE) J1772™ of SAE International, Tesla protocol, and CHAdeMO protocol; and
- (3) Is designed and installed in compliance with article 625 of the National Electrical Code to appropriate Nationally Recognized Testing Laboratories’ standards.

“Electric vehicle charging system” has the same meaning as Electric Vehicle Supply Equipment as defined in article 625.2 of the National Electrical Code, as amended.”

SECTION 3. Section 269-73, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The public utilities commission may contract with a third-party administrator to operate and manage any programs established under section 269-72. The administrator shall not be deemed to be a “governmental body” as defined in section 103D-104; provided that all moneys transferred to the third-party administrator shall have been appropriated by the legislature or shall be from funds provided by the federal government or private funding sources. The administrator shall not expend more than ~~ten~~ fifteen per cent of the amounts appropriated for the rebate program or other reasonable percentage determined by the public utilities commission for administration of the programs established under section 269-72[-]; provided that program administration expenses may include marketing and outreach expenses to increase program participation, if needed; provided further that not more than ten per cent of the amounts appropriated for the rebate program may be expended on non-marketing and outreach programs or administration of the program.”

SECTION 4. Act 75, Session Laws of Hawaii 2021, is amended as follows:

1. By amending section 5 to read:

“SECTION 5. There is appropriated out of the electric vehicle charging system subaccount within the public utilities commission special fund the sum of [~~\$100,000~~] \$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 sum appropriated shall be expended by the public utilities commission for the purposes of this part.”

2. By amending section 12 to read:

“SECTION 12. This Act shall take effect on July 1, 2021~~[-]~~, provided that the moneys appropriated in section 5 shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all amounts from the appropriation that are unexpended or unencumbered as of June 30, 2024, shall lapse as of that date.”

SECTION 5. 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.

The sum appropriated shall be expended by the public utilities commission for the purposes of this Act.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on June 30, 2022.

(Approved June 27, 2022.)