



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE**

Tuesday, February 16, 2022  
Time 2:00 PM  
State Capitol, Via Videoconference and Conference Room 329

**SUPPORT  
HB 2090 HD1  
RELATING TO ZERO EMISSION TRANSPORTATION.**

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports HB 2090 HD1, 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.

Emissions from ground transportation account for over half of energy emissions as noted in the 2017 Greenhouse Gas Inventory. Ground transportation accounted for forty seven percent of the transportation emissions. For Hawai'i 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 Hawai'i need to be addressed, including LMI households.

Neighborhoods with higher percentages of LMI households generally have a significantly lower adoption rate of electric vehicles (EVs) as a percentage of total vehicles in that neighborhood. The percentage of registered EVs relative to total registered vehicles in zip codes where LMI households make up greater than sixty percent of households is less than half the percentage of registered EVs in zip codes

where LMI households make up less than sixty percent of households. This is a telling data point when considering where Hawai'i currently stands on the equitable transition to a decarbonized ground transportation sector.

One of the features of HB 2090 HD1 is that it includes necessary flexibility for the administrator of the program, as overseen by the PUC, on specific details due to the potential funds for the rebate program and the desired population. The rebate program needs to be able to expeditiously adjust to changing needs of LMI communities and changes in market conditions to ensure the intent of the rebate program is achieved. As a comparison, Oregon originally passed its EV rebate program as a statute with specific criteria and have since passed legislation to update criteria such as income requirements, rebate amounts, and increased the pool of eligible applicants. The Oregon program is funded at about \$12 million per year and yet it still needed to be amended demonstrating the benefits of maintaining flexibility in program design.

In addition, the flexible approach proposed in HB 2090 HB1 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. This year the Legislature is considering HB 1811 HD1 to integrate greater flexibility into that rebate program based on the same lessons learned as proposed in HB 2090 HD1. The PUC has demonstrated that they can effectively administer rebate programs and that increasing the flexibility will support a more responsive program.

Lastly, HSEO would like to recommend a clarifying edit to address a concern raised in comments on the previous version of HB 2090. The amendment aligns with the intent of the original language but adds additional clarity by separating the definition of an automobile vehicle dealer cross-referenced with Section 437-1.1, Hawai'i Revised Statutes, from the ability of the PUC to identify eligible rebate providers for other electric vehicles such as motorcycles, motor scooters, and other types of electric vehicles not normally sold by automobile dealers.

"Qualifying vehicle" means a motor vehicle that:

- (1) Is a:
  - (A) New or used light-duty zero-emission vehicle purchased from a "new vehicle dealer" or "used vehicle dealer" as defined in section 437-1.1;
  - (B) New neighborhood electric vehicle purchased from an appropriate entity as identified by the administrator of the program;
  - (C) New zero-emission motorcycle purchased from an appropriate entity as identified by the administrator of the program;
  - (D) New zero-emission motor scooter purchased from an appropriate entity as identified by the administrator of the program;
  - (E) New zero-emission moped purchased from an appropriate entity as identified by the administrator of the program;
- (2) Has a manufacturer's suggested retail price of less than the maximum set by the administrator;
- (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; and

(4) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration as of the date of manufacture.

~~(5) Is purchased from a vehicle dealer~~  
~~"Vehicle dealer" means a "new vehicle dealer" or "used vehicle dealer" as defined in section 437-1.1, or an appropriate entity as identified by the administrator of the program.~~

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.

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.