



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday, March 22, 2023
2:00 PM
State Capitol, Conference Room 329 and Videoconference

In SUPPORT of
SB 1534, SD2, HD1

RELATING TO TRANSPORTATION.

Chair Nakashima, Vice Chair Sayama, and Members of the Committee, the Hawai'i State Energy Office (HSEO) provides comments in support of SB 1534, SD2, HD1, which replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for certain electric vehicles, and allows electric vehicles a choice of paying a registration surcharge or a per-mile road usage charge until June 30, 2028.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy. Sustainable funding for Hawai'i's roadway maintenance costs needs to be addressed to ensure a smooth transition as Hawaii decarbonizes ground transportation. HSEO is currently engaging with State agencies and stakeholders to discuss the issues raised from this measure. HSEO regularly collaborates with the Hawai'i Department of Transportation (HDOT) on efforts including the designation of Alternative Fuel Corridors by the Federal Highway Administration and the National Electric Vehicle Infrastructure (NEVI) Hawai'i State Plan to build out infrastructure on those corridors and will continue that collaboration.

HSEO supports the requirement in SB 1534, SD2, HD1, Section 2 to extend the mileage-based road use charge to all passenger vehicles and light duty trucks by December 31, 2033. It is an important signal to the market and the adopters of electric vehicles that the intent is to move all vehicles to a sustainable and equitable framework to collect revenues for road maintenance. The mileage-based road use charge should be devised in such a way to transparently incentivize residents to utilize more fuel-efficient vehicles and alternative modes of transportation including public transit, electric mobility, bicycling, and walking. When so devised, it becomes easy for drivers to understand that reducing miles driven results in a lower annual mileage-based road use charge. To support the expedient transition to this revenue collection framework HSEO would respectfully request clarifying whether SB 1534, SD2, HD1, includes the authority for HDOT to implement the program for all light duty passenger vehicles and light duty trucks. SB 1534, SD2, HD1, amended Section 2 to say “(f) Pursuant to its rulemaking authority, the department of transportation shall **adopt** rules pursuant to chapter 91 for establishing and administering the state mileage-based road usage charge.” as opposed to “shall **develop** rules”. The authority would be in addition to the requirement that a plan be developed to fully implement a state mileage-based road use charge program to encompass all passenger vehicles and light duty trucks by December 31, 2033.

Thank you for the opportunity to testify.