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Testimony of **MARK B. GLICK, Chief Energy Officer**

before the **HOUSE COMMITTEE ON FINANCE**

Wednesday, March 27, 2024
3:30 PM
State Capitol, Conference Room 308 and Videoconference

In Support of
SB 3183, SD2, HD2

RELATING TO ROAD USAGE CHARGE PROGRAM.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3183, SD2, HD2, which establishes a county mileage-based road usage charge for electric vehicles, clarifies the collection and disposition of funds of state and county mileage-based road usage charges, and establishes the maximum county mileage-based road usage charge at \$50 until June 30, 2028.

HSEO's comments are guided by our statutory mission to promote energy efficiency, renewable energy, and clean transportation as laid out in HRS §196-71 and the specific duties of the Chief Energy Officer pursuant to §196-72 relating to clean transportation as well as the interface of clean transportation in the overall energy ecosystem.

Securing sustainable funding for roadway maintenance is crucial to Hawai'i's economy and the safety of those using state- and county- maintained roadways. The Legislature required the Hawai'i Department of Transportation to develop a plan to transition all vehicles in Hawai'i to a per mile road usage charge by 2033. Transitioning from the motor fuel taxes to a per-mile road usage charge is proposed to promote fairness and guarantee a continual and equitable source of funding for highway maintenance as the state works towards decarbonizing ground transportation.

HSEO stands ready to collaborate with the Department of Transportation and counties to achieve the State's decarbonization policy objectives and transition to a sustainable funding framework for an evolving transportation system. We believe that advancing the State's mileage-based road usage charge program at the county level is a logical progression that ensures consistency, financial sustainability, and administrative efficiency. HSEO supports the HD2 amendment ensuring that the rate for the county mileage-based road usage charge does not exceed the estimated county fuel tax to avoid inadvertent disincentives for electric vehicles.

Thank you for the opportunity to testify.