

SB 1202



BEFORE THE
SENATE COMMITTEE ON WAYS & MEANS
Senator Donna Kim, Chair
Senator Shan Tsutsui, Vice Chair

Testimony of

PETE COOPER
Better Place Hawaii
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SB1202, SD1
RELATING TO TRANSPORTATION ENERGY INITIATIVES

March 3, 2009, 9:30 am
State Capitol, Room 211

Chair Kim and members of the Committee on Ways & Means:

My name is Pete Cooper of Better Place Hawaii. Better Place Hawaii coordinates with Hawaii utilities, automobile dealers, State and county governments and other stakeholders to deploy an electric vehicle charging network powered by renewable energy.

Better Place Hawaii **SUPPORTS** SB1202, SD1, which provides policy guidelines, business incentives, and mandates to dramatically transform the use of fossil-fuel cars to a more efficient renewable transportation system which supports electric vehicles. Both bills are similar in content and form.

With the State's goal of utilizing renewable sources for 70% of its energy by 2030, government action to further the use of electric vehicles is essential. In so doing, Hawaii will benefit in the following ways:

- Reduced demand for gas and oil imports.
- Reduced demand for electricity during peak demand times of day, hence lowering costs to ratepayers/taxpayers.
- Increased demand for off-peak and renewable energy when capacity is high, resulting in lower costs of renewable energy.
- Reduced utility costs resulting from distributed network of batteries in EVs.
- Increased tax receipts from the EV industry as a whole.

In particular, Better Place Hawaii supports Part I of these measures, which amends certain sections of the Hawaii State Plan. SB1202, SD1 establishes objectives and policies that will increase and diversify Hawaii's economic base, including the research and development of non-fossil fuel and energy efficient modes of transportation; as well as directs the state's energy systems to be dependable, efficient, and economical, leading towards increased energy self-sufficiency. Those additional guidelines in HRS Chapter 226 would better reflect the State's commitment towards non-fossil fuel and energy efficient transportation in Hawaii.

Better Place Hawaii also supports Part II of SB1202, SD1, which provides tax credits for the development of EV and alternative refueling infrastructure. Individual and corporate tax incentives outlined in SB1202, SD1 provides individual and corporate consumers with incentives to install EV charging stations in their homes and businesses -- similar to tax credits provided to the solar energy industry. It is anticipated that by the year 2014, about 10,000+ electric vehicles could be on Hawaii's roads and highways. It is imperative that sufficient number of EV charging stations be available to support this new mode of transportation that will be available in Hawaii and throughout the globe.

Part II of SB1202, SD1 provides for parking lot requirements where designated spaces and charge spots will be placed in public and government parking lots available for use by the general public. These parking requirements are an essential component to support electric vehicles.

Part III of SB1202, SD1 requires that government agencies lead the effort towards the electrification of transportation in Hawaii. We believe that State and local government can provide a strong kick-start to utilizing EVs in Hawaii. The measures and requirements outlined in SB1202 are strongly supported by Better Place Hawaii.

Lastly, SB1202, SD1 requires that the Department of Transportation develop and implement a plan to expedite State and county permitting and installation of EV charge outlets in homes, businesses, public parking lots and buildings and facilities throughout the state. To ensure that Hawaii is prepared for this new wave of electric vehicles to be introduced by automakers throughout the world, a well planned and developed EV charging infrastructure must be in place by no later than 2011. We believe that the Department of Transportation may not be the appropriate agency to conduct this study. However, we support this Committee's determination as to which entity would be most appropriate to address these issues.

Thank you for the opportunity to testify in **SUPPORT** of SB1202, SD1. Please feel free to contact me if you have any questions.

**TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
SENATE COMMITTEE ON WAYS AND MEANS**

MARCH 3, 2009

MEASURE: S.B. No. 1202 S.D.1

TITLE: Relating to Transportation Energy Initiatives

Chair Baker and Members of the Committee:

DESCRIPTION:

This bill: (1) establishes the development of non-fossil fuel transportation as a state policy goal; (2) provides tax credits for the purchase and installation of electric vehicle charging infrastructure and alternative fuel refueling infrastructure; (3) requires the designation of parking spaces for electric vehicles; (4) requires state and county agencies to follow a priority list when purchasing energy-efficient vehicles, including electric vehicles; (5) requires the director of transportation to furnish information to the state energy resources coordinator on the use of electric vehicles in the State; and (6) requires the Department of Transportation to develop a plan for electric vehicle infrastructure. In addition, this measure proposes to exempt electric vehicle charging from regulation as a public utility under Chapter 269, HRS.

POSITION:

The Public Utilities Commission ("Commission") has no objection to the proposed exemption from Chapter 269, HRS.

Thank you for the opportunity to testify.

Testimony before the Senate Committee on
Ways and Means

S.B. 1202, SD1, Relating to Transportation Energy Initiatives

Tuesday, March 03, 2009
9:30 a.m., Conference Room 211

By Carlos Perez Loriga
Director
Customer Technology Applications Division
Hawaiian Electric Company, Inc.

Chair Kim, Vice Chair Tsutsui and members of the Committee:

My name is Carlos Perez Loriga and I am testifying on behalf of Hawaiian Electric Company, Inc., and its subsidiary utilities, Maui Electric Company, Ltd., and Hawaii Electric Light Company, Inc.

S. B. 1202, SD1 provides incentives to enable electrification of transportation in Hawaii.

While sensitive of the financial challenges that the State is currently facing, Hawaiian Electric Company supports S.B. 1202, SD1, to promote the development of electric vehicle infrastructure in Hawaii and enable electrification of transportation. Increased acceptance and use of electric and plug-in hybrid electric automobiles will aid in the reduction of greenhouse emissions and fossil fuel use and will help enable the Hawaii Clean Energy Initiative's goal of 70% clean, renewable energy by 2030.

Thank you for the opportunity to testify.



SENATE COMMITTEE ON WAYS AND MEANS

March 3, 2009, 9:30 A.M.

Room 211

(Testimony is 2 pages long)

TESTIMONY IN SUPPORT OF SB 1202 SD1

Chair Kim and members of the committee:

The Blue Planet Foundation supports Senate Bill 1202 SD1, implementing various policies to support the use of non-fossil transportation energy options. We support efforts to require the state to purchase high efficiency vehicles and particularly support using life-cycle costing to determine the best transportation options for state vehicles.

Regarding the incentives and requirements for electric vehicle infrastructure, Blue Planet strongly supports significant efforts to foster the rapid development of Hawaii's clean transportation future. Electric vehicles (EV) will play an integral role in Hawaii's clean energy future. By using stored electrical energy, EVs can take advantage of intermittent solar, wind, and other clean energy resources. Most vehicles sit idle 22+ hours of the day, so they become *de facto* energy storage devices if their batteries are plugged into the grid when they are not in use. With smart grid infrastructure in place, EVs become an essential component to electricity load and clean energy resource balancing—in addition to providing clean mobility solutions for Hawai'i residents.

Jeff Mikulina, executive director • jeff@blueplanetfoundation.org

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Electric vehicles today have evolved from their "golf cart" roots. In fact, one new production model, the Tesla Roadster, is a high-end sports car that can accelerate from zero to 60 miles per hour in under four seconds—beating almost all regular internal combustion engines on the road today. The drawback, however, is its price. As with most full performance EVs, the battery technology currently adds considerable expense to the cost of the EV. Tax incentives for EV purchase will help to overcome this barrier, and some EV companies are considering business models that will reduce the upfront cost of EVs for Hawai'i residents.

In addition to tax credits for EV charging infrastructure, Blue Planet supports the creation of preferential electricity rates to encourage EV charging off-peak with electricity from clean energy sources. Such a policy would support three clean energy goals: encouraging EV use, increasing clean energy consumption, and leveling out the electricity demand on the grid.

We are happy to work with the committee to craft such a preferential charging rate policy.

Finally, Blue Planet supports amending SB 1202 SD1 that would establish a schedule of steadily increasing parking stall EV charging capacity requirements over time. This would prepare building owners and managers for the upcoming requirements and help their EV investment decision making. Such a policy would also help to overcome the "chicken and the egg" problem of customer EV adoption; if residents know that infrastructure is coming, they will feel more comfortable about investing in a vehicle.

Thank you for the opportunity to testify.