

SB 1185

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



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**SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
TESTIMONY REGARDING SB 1185
RELATING TO A TAX CREDIT FOR THE PURCHASE OF ELECTRIC VEHICLES**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)
DATE: FEBRUARY 10, 2009
TIME: 3:45 PM
ROOM: 225

This bill provides taxpayers who purchase an electric vehicle a tax credit for an unspecified amount. This bill takes effect on July 1, 2009.

The Department of Taxation (Department) **supports the intent** of this measure; however **prefers SB 872**.

SUPPORT FOR ALTERNATIVE ENERGY—The Department strongly supports the encouragement and implementation of alternative energy systems in Hawaii in order to lessen the State's dependence on fossil fuels. As fossil fuel and petroleum prices become more volatile, encouraging Hawaii residents to use electric vehicles could make the State less reliant on others.

PREFERENCE FOR ADMINISTRATION'S BILL—The Department prefers the tax incentives contained in SB 872, which includes a general excise tax exemption for the sale or lease of alternative fuel vehicles, an income tax credit for facilities using biofuels, a rental motor vehicle surcharge tax exemption for alternative fuel vehicles, an income tax credit for electric vehicle charging infrastructure acquisition and installation, and an income tax credit for alternative fuel vehicle refueling infrastructure acquisition and installation. The Administration's measure has been factored into the biennium budget and the financial plan.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
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THEODORE E. LIU
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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Tuesday, February 10, 2009
3:45 PM
State Capitol, Conference Room 225

in consideration of
SB 1185
RELATING TO A TAX CREDIT FOR THE PURCHASE OF ELECTRIC VEHICLES.

Chair Gabbard, Vice Chair English, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB 1185, which would provide a tax credit of an unspecified amount for an "electric vehicle," but we prefer the approach taken in SB1612 and SB872 which propose a grant program, since a grant program would have a predictable revenue impact. We defer to the Department of Taxation on the implementation of a tax credit.

Energy is absolutely necessary to the functioning of Hawaii's transportation systems. Planning must begin now to ensure adequate supplies to meet the energy demands of the transportation sector, while enhancing Hawaii's economy and protecting our environment. The current reprieve in fuel prices provides us with an opportunity to discuss a gradual, reasoned approach to transformation of our transportation energy sources. Waiting for the next crisis before taking action will reduce our options and increase our costs.

Electric vehicles -- with today's advanced batteries, electronics, and control systems -- are technologically ready to make their entrance into our transportation system. Hawaii is a natural fit for the early adoption of these vehicles:

- As an island economy, Hawaii residents drive short daily distances, easing the challenges of adoption of all-electric vehicles.
- Hawaii's well-defined boundaries enable efficient deployment and monitoring of vehicle charging infrastructure.
- Hawaii's mild climate enhances vehicle battery performance and longevity.
- Electric vehicles enhance, and are enhanced by, Hawaii's "clean and green" image.

Electric vehicles also have the potential to provide a number of benefits for Hawaii:

- Several of Hawaii's major potential renewable energy sources (wind, geothermal, wave, OTEC) are available at night and during non-peak hours. Electric vehicles, together with smart grid management, will enable this renewable electricity, which otherwise might be curtailed (i.e. go to waste), to be used in the transportation sector.
- Vehicle use of otherwise unused renewable energy has the potential to create a significant demand-pull for renewable energy generation.
- Eventually, inclusion of large-scale grid-connected electric vehicles with grid-to-battery and battery-to-grid capabilities could provide distributed storage and enhance grid stability.

As a small market, however, timing is important. With an energetic and sincere effort -- NOW -- to attract electric vehicle manufacturers to Hawaii, we can become a showcase for these vehicles, while enjoying the economic benefits and worldwide publicity provided by these fun, high-tech vehicles.

If we wait until the rest of the world is doing it, we will have missed this opportunity.

Another of Hawaii's assets in the electric vehicle area is the High Technology Development Corporation's (HTDC's) Hawaii Center for Advanced Transportation Technologies

(HCATT). HCATT has been funding the development and evaluation of electric vehicle technologies since 1994. This includes working with electro-chemical experts at the University of Hawaii and evaluating various battery chemistries. As such, HCATT is a storehouse of knowledge and a strong proponent for electric vehicles and acknowledges that purchase incentives will be required in the early production years due to the anticipated high cost of introductory plug-in electric vehicles. These costs are due to the latest battery technologies that have matured to a level that will make electric vehicles a reality by providing an acceptable range on a single charge. The electric vehicle shortcoming experienced in the mid-90s was due to the lack of energy density in lead acid batteries for extended driving ranges. Lithium battery technology was touted back then as the eventual solution and that solution is here today. Unfortunately, that solution also comes with an extremely high cost until high volume production and sales can bring those costs to a level acceptable by consumers.

Incentives will be necessary for average consumers to purchase the electric vehicles about to enter the marketplace.

We have some suggestions regarding the details:

If the intent of the credit is to encourage electric vehicles which are capable of using electricity NOT generated from gasoline, i.e. if the credit is not intended for traditional hybrid vehicles which MUST be fueled with gasoline and cannot be plugged in to obtain electricity from off-board energy sources, such clarification would be helpful.

This could be accomplished with a definition such as the following:

"Electric vehicle" has the same meaning as contained in Title 26, Section 30, of the Internal Revenue Code, for 'new qualified plug-in electric drive motor vehicle,' and means a motor vehicle, including a plug-in hybrid electric vehicle:

- (1) Which draws propulsion using a traction battery with at least 4 kilowatt hours of capacity;
- (2) Which uses an off-board source of energy to recharge such battery;
- (3) The original use of which commences with the taxpayer; and
- (4) Which is acquired for use or lease by the taxpayer and not for resale.

Finally, since the number of electric vehicles is difficult to predict, and there are budgetary concerns, a grant program which allocates specific amounts for each year may be appropriate. Such a program is outlined in Section 4 of SB 1612 and Section 12 of SB 872.

I would like to re-state the importance of the electric vehicle opportunity to Hawaii, and encourage you to support the grant program.

Thank you for the opportunity to offer these comments.

Testimony before the Senate Committee on
Energy & Environment

S.B. 1185, Relating to a Tax Credit for the Purchase of Electric Vehicles

Tuesday, February 10, 2009
3:45 p.m., Conference Room 225

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

Chair Gabbard, Vice Chair English 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. 1185 creates a tax credit incentive for the purchase of vehicles powered by electricity.

While sensitive of the financial challenges that the State is currently facing, Hawaiian Electric Company supports S.B. 1185, to promote the increased use of electric, hybrid electric, and plug-in hybrid electric automobiles. Increased consumer acceptance of these types of vehicles will not only aid in the reduction of greenhouse emissions and fossil fuel use, but will also help enable the Hawaii Clean Energy Initiative's goal of 70% clean, renewable energy by 2030.

Thank you for the opportunity to testify.

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
SENATE COMMITTEE ON
ENERGY AND ENVIRONMENT
Tuesday, February 10, 2009
3:45 PM
State Capitol, Conference Room 225

In consideration of
SB 1185 RELATING TO A TAX CREDIT FOR THE PURCHASE OF ELECTRIC
VEHICLES.

Chair Gabbard, Vice Chair English and Members of the Senate Committee on Energy
and Environment.

The High Technology Development Corporation (HTDC) supports SB 1185, in that it provides an incentive for the purchase and use of electric vehicles, which supports the State's overarching Clean Energy Initiative. However, since SB 1185 does not provide specifics on the tax credits, we recommend the committee consider adopting the grant allocations identified in SB 1612, which establishes a Transportation Energy Transformation Grant Fund and allocates specific amounts for each grant over a multi-year schedule.

HTDC, through its Hawaii Center for Advanced Transportation Technologies, has been funding the development and evaluation of electric vehicle technologies since 1994. As such, we are a strong proponent for electric vehicles and acknowledge that purchase incentives will be required in the early production years due to the anticipated high cost of introductory plug-in vehicles.

Thank you for the opportunity to submit this testimony.

BEFORE THE
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Senator Mike Gabbard, Chair
Senator J. Kalani English, Vice Chair

SB1185
RELATING TO A TAX CREDIT FOR THE PURCHASE OF ELECTIC VEHICLES

February 10, 2009, 3:45 pm
State Capitol, Room 225

Testimony of

PETE COOPER
Better Place Hawaii
745 Fort St, 21st Floor
Honolulu, HI 96815

Chair Gabbard and members of the Committee on Energy and Environment:

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** SB1185. Taxpayer incentives outlined in this measure provide consumers with tax credits to purchase EVs for their home or business use -- similar to tax credits provided to the solar energy industry. By the year 2014 the DOE anticipates 10,000+ electric vehicles could be on Hawaii's roads and highways. As automakers throughout the world begin to refine, develop and produce electric vehicles for consumer use, it is imperative that Hawaii lead the efforts in transforming its transportation systems to support electric vehicles. 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.

Electric vehicles are cleaner, quieter and more efficient than gasoline powered cars, and can reduce pollution, noise and particulate matter in the environment. Electric vehicles are "Zero Emission Vehicles." They don't have any tailpipe emissions to contribute to smog in urban areas. With about 1.1 million registered vehicles in Hawaii, the ultimate replacement from fossil fuel-based cars to electric vehicles can contribute significantly to the state's overall goal of energy independence for Hawaii.

Furthermore, today's internal combustion engines contribute very little towards the development of renewable energy sources. Because these cars draw their power from oil and gas, they offer minimal incentive for utility companies to invest in or develop solar, wind, or geothermal power plants. Alternatively, electric vehicles, with their powered grids and batteries, create an enormous new market for utilities. The power storage issues that hinder the growth of

renewable energy can be alleviated as the EV infrastructure becomes a repository for excess electricity. As the EV network grows, the market for renewable energy can grow with it.

It is important to note that the purchase of electric vehicles is just one aspect of the electrification of transportation in Hawaii. To support electric vehicles, an integrated EV charging system must be in place. This would consist of the installation of EV charge spots in parking lots of fleet operators, subscribers' home garages, office parking garages, and privately- and government-owned parking lots available to the general public. 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. **As this committee contemplates tax credits for the purchase of EVs, we strongly encourage that it consider related bills that seek to develop an EV charging infrastructure for the state.** For example, *SB1202 and SB1037* provides for business incentives to develop an EV infrastructure, and requires designated parking spaces for and government purchases of electric vehicles.

Thank you for the opportunity to testify in SUPPORT of SB1185. Please feel free to contact us if you have any questions.

February 9, 2009

Testimony in SUPPORT OF THE CONCEPT of SB 1185
Relating to a Tax Credit for the Purchase of Electric Vehicles
Presented to the Senate Committee on Energy and Environmental Protection

At the hearing 3:45 p.m., Tuesday, February 10, 2009
in Conference Room 225, Hawaii State Capitol

Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association
Hawaii's Franchised New Car Dealers

Chair Gabbard and members of the committee,

HADA stands in STRONG SUPPORT OF THE CONCEPT OF INCENTIVES for purchase of alternative energy vehicles and particularly electric vehicles, which can operate on electricity generated by Hawaii's abundant natural resources of wind, wave, and sun energy.

We would support SB 1185 outright if immediate measures can be taken to strongly connect the effort to all the infrastructure, funding, permitting, and public education that is needed for success of the electric car.

Without an immediate and significant coordinated effort for the electrification of the car in Hawaii, we will end with separate unconnected parts. Like unconnected wires. And like an engine with an incomplete electrical circuit, it won't run.

The mathematics of eliminating fossil fuel in Hawaii is enticing:

- 1) We have a \$66 billion Hawaii economy
- 2) State tax revenues, reflecting losses in the State GDP, are losing ground by about 2%
- 3) In our view, after further declines, these losses will subside and climb back to 0% growth by the end of the year, perhaps by as late as mid-2010.
- 4) A healthy economy, though, requires 3% growth.
- 5) Elimination of \$2 billion in fossil fuels used by transportation and replacement with a locally-produced \$2 billion in clean energy, would, in itself, create a 3% growth.

So, how do we accomplish rapid transition?

- 1) The HADA board voted unanimously in August of 2007 to support the "fast-tracking" of wind energy permitting in Hawaii—so as to facilitate a transition to the electric car.
- 2) HADA supported the Abercrombie-Peterson bill, with its up to \$7,500 tax credits for electric vehicles—which was part of the national discussion in the Congress leading up to adoption of the Energy Bill (of 2007). The Energy Bill contains credits for:

Plug-in hybrid electric vehicles	\$2,500– \$7,500	The first 250,000 vehicles sold get the full tax credit (then it phases out like the hybrid vehicle tax credits). Effective January 1, 2009.
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- 3) HADA has supported adoption of major elements of the Hawaii Clean Energy Initiative – to transition Hawaii to 70% energy independence by 2030, but we think the movement to energy efficient vehicles should be more coordinated.
- 4) Automakers must be involved. HADA has sent letters to all CEOs of the Detroit Big 3 requesting their electric car models for the upcoming auto show. While our negotiations continue, we shared with these automakers Hawaii's first-state-in-the-nation efforts toward implementing a grid of electric charge spots. We asked for their support.
- 5) HADA proposed a new business model for the Big 3 that involved the electric car, and a revolutionary penny-a-mile proposal. See our HADA expanded comments below:

The penny-a-mile concept and a new business model for the Big 3

In 1934, in the middle of the Great Depression, Pepsi-cola was struggling -- even with its switch to a 12-ounce bottle. Coca-cola, with its 6-ounce bottle at 10 cents, was still the dominant one in the market. Pepsi, though, soon slashed its price to 5 cents and saw its sales soar through the roof.

Today by using astute public policy we could let consumers drive to work at half price –only 5 cents a mile in eco-friendly electric-powered vehicles, compared to the current 10 cents a mile in today's gas-powered cars. The features of the electric cars would be nearly identical to the gas-powered cars.

The concept requires Congress to create new public policy to be combined with currently available automotive technology and a new business model for the Big 3.

Occam's razor, attributed to a 14th century Franciscan friar, and sometimes called the law of succinctness, is best summed by Einstein who said that "theories should be as simple as possible, but no simpler."

The razor first appeared in Maimonides "The Guide for the Perplexed" and it thus seems to have application to the problems surrounding the Big 3 automakers who need to develop a workable business model against a perplexing backdrop of marketing, finance, and labor situations.

Without the \$25 billion in bridge financing from the federal government the Big 3 may file for bankruptcy. Such would cause an ensuing chain of bankruptcies which would include vendors, and many employees in the ranks of the two million American direct and indirect employees who depend on the auto industry for their livelihood.

The chain reaction and the subsequent so-call nuclear winter scenario would be far-reaching.

So, to avoid this, help the Big 3 become vibrant, and get consumers driving at half price per mile we need a big vision.

Half price is something every consumer understands; the "half price per mile driving" idea is indeed succinct.

Enter Shai Agassi, the software engineer from Palo Alto, who brings an audacious plan for switching America to the electric car.

His idea, though, is simple. Americans would buy full-featured electric cars and light trucks from a big list of familiar automakers. And these new plug-in electric vehicles, which some refer to as "the cars without tailpipes," would indeed have the same features of all the current cars and trucks but would operate on common household plug-in electricity.

But before anyone here gets too twitipated about the fact that much electricity in America is produced by oil-burning plants, we should point out that Mr. Agassi proposes that the cars charging overnight from the electric grid operate on "green electrons" like those produced by the big American wind farms envisioned by T. Boone Pickens, or the world-class wind resources on the islands of Lanai, Molokai, and Maui--which can charge vehicle batteries at a lower, off-peak charge at night. And still offer enough profit to Mr. Agassi's company to be worthwhile.

Such vision is shared by Hawaii's governor Linda Lingle who recently announced the Hawaii Clean Energy Initiative includes a bold plan to have 3,000 plug-in electric vehicles on the Hawaii roadways by 2010 and 50,400 electric vehicles by 2015.

The plan for Hawaii and the rest of America, however, would be severely impacted by the loss of American auto manufacturing.

GM already has plans to market the Volt plug-in electric sedan in 2010 and Chrysler has announced plans for 3 plug-in electric vehicles --one of which would launch in 2010. The Volt's 400-mile range includes 40 miles on one battery charge, backed up by a 360-mile range-extender gasoline engine. GM points out that almost 80% of America's car commuters have daily commutes that fall within that 40-mile battery range.

Nissan is already about to launch, a series of plug-in electric vehicles, with 120-mile battery ranges, for the streets of Tel Aviv and Copenhagen. And here's where Agassi comes in. Consumers in those cities don't need to purchase the expensive \$11,000 lithium-ion batteries because Agassi's company, Better Place, will install hundreds of thousands of 110-volt "charging spots" in the cities and provide the current cities service station networks with "switch-out" batteries in case drivers need them during the course of extended trips.

Agassi will sell "miles" on his battery plan much like cell phone companies sell annual minute-use plans. Better Place will provide a 10,000-mile plan, a 20,000-mile plan, etc. The real benefit for consumers is a dramatically lowered cost of ownership for full-featured electric vehicles, with similar features to the current cars on the road.

With these plug-in electric cars, and the right adjustments to public policy, drivers could be driving at half price, starting in 2010. Like in the Pepsi and Coke story, it would cost consumers only 5 cents per mile to drive a plug-in electric compared to 10 cents per mile to drive a similar gas car. It's a cool idea for cost-conscious drivers, not to mention a cool idea for a cooler planet.

Here's how the drive-at-half-price-per-mile works.

The recent 2008 price of a gallon of gas, in the third quarter, in the U.S. has been roughly \$2.40 / gallon. The current miles per gallon federal Corporate Average Fuel Efficiency (CAFE) standard for vehicles sold in the U.S. is roughly 24 miles per gallon, so the math thus is simple: That's 10 cents per mile. A 40-mile roundtrip commute is \$4.

A 4-hour 17-kwh overnight charge with a lowered rate of 12-cents/kwh would be roughly \$2. That charge will propel a Volt electric vehicle around 40 miles. Of course there will be thousands of charge spots in the city, including thousands at workplace sites, and the Volt even has a 360-mile range-extender gasoline engine.

The \$2 a day for your electric commute is half price when compared to \$4 for gas.

And half price is a concept everyone understands.

But it gets better.

Besides the advantage of helping America get off its \$700 billion foreign oil habit, the Penny-a-Mile razor allows a quick replenishing of any federal loans given to the Big 3 automakers.

Here's how that part works. A new business model for the Big 3 would be created. Then the \$25 billion in federal loans to the automakers, made in exchange for automakers' stock—could be paid back multi-fold.

GM stock, for example, recently hit a 60-year low and is now below the 5-dollar range for one share.

Congress could encourage transition to the fuel-less transportation system simply by structuring a tax on foreign oil to allow gas cars to continue to operate at 10 cents a mile on average, while subsidizing "green energy" electricity, allowing plug-in electric vehicles to operate at 5 cents a mile.

The 5 cents compared to 10 cents marketing wizardry already demonstrated ruing the depression by Pepsi shows that consumers will go through the roof for half price.

But the concept gets even better.

As Automakers produce better cars capable of getting 60 miles on a charge—which is roughly 3 cents a mile—Better Place, with its sophistication in software, would provide half of the savings to the customers through lower-cost-per-mile plans. Automakers and auto dealers could each be provided \$500 per car on a 50,000-mile plan. That amount would double at 100,000 miles.

At the high level, automakers and dealers would receive a thousand dollars per vehicle.

Multiply this times half the 16 million new vehicles per year that could be produced for U.S. consumer use by 2015, and automakers would be receiving back \$8 billion a year. Dealers would also receive and split \$8 billion.

It's public policy that would start the automaker stocks bouncing back the moment the new business model and accompanying public policies were announced. Taxpayer dollars invested in the bridge loan stock purchase may be repaid with a multi-fold return.

We all know that the Gillette Safety Razor company made much more money from selling the blades than they ever did from the razors.

A three-fold return would be a \$75 billion pay back on the \$25 billion taxpayer dollars invested in the Big 3 bridge financing requested right now.

Right now consumers can already buy more than 100 transition vehicles-- the fuel-efficient 30+ mpg gas cars and the gas-electric hybrid vehicles—which all are value-priced, with easy low-interest financing options, now in dealer showrooms. Since the electric vehicles won't really be plentiful until around seven years from now, these interim fuel-efficient cars provide the way to the future.

The lessons learned from the half price Pepsi and the simple, buy-the-miles idea from Shai Agassi, and an extension of that idea into a penny-a-mile rebate to auto dealers and car manufacturers could lead to excellent public policy decisions, a big retooling of the American auto industry and a rapid transition to electric vehicles and a big return for American taxpayers.

HADA requests that SB1185 be adapted to the requirements for tax credits for purchase of electric cars outlined in the national Energy Bill of 2007 and, along with other elements necessary to support the electrification of the car, that such a coordinated effort move forward.

Respectfully submitted,

David H. Rolf

For The Hawaii Automobile Dealers Association, Hawaii's franchised new car dealers,
1100 Alakea St. Suite 2601, Honolulu, Hawaii 96813 Tel: 808 593-0031 Cell: 808 223-6015



SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

February 10, 2008, 3:45 P.M.

Room 225

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 1185

Chair Gabbard and members of the committee:

The Blue Planet Foundation supports SB 1185, providing a tax credit incentive for the purchase of an electric vehicle. We support amending this measure with a substantial tax credit—no less than \$2500—to encourage the early adoption of electric vehicles in Hawai'i.

Electric vehicles (EV) will play a large 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.

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. Senate Bill 1185 would help to make EVs more affordable and spur more widespread adoption of the technology.

In addition to tax credits for EV purchase, 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.

Thank you for the opportunity to testify.

Testimony in favor of SB 1185 A Tax Credit for the Purchase of Electric Vehicles

As a citizen of the State of Hawaii and someone that is concerned about environmental pollution I would wholeheartedly support this bill. Electric vehicles are expensive and in the midst of this economic malaise the cost makes it prohibitive for the average person to purchase one of these clean power vehicles. A tax credit would encourage buyers to purchase the vehicle and help to boost the industry here in Hawaii as well as to help clean up our air quality which has been rated poorly by federal standards.

Electric vehicles are especially good here in Hawaii where we have a limited capacity to drive. Since we live on an island and most of our destinations are close by, it makes sense to drive vehicles that cut emissions of harmful pollutants. Tax credits have been shown throughout history to be beneficial economically and in most cases provide immediate economic stimulus. The controversial Act 221 has been responsible for generating billions of dollars in revenues (and tax revenues for the government) that would have otherwise gone to other places, as well as creating 4,000+ high quality, hi-tech jobs.

The answer in these tough economic times is not for the government to spend more and pillage the citizens hard earned wages with tax hikes and increased fees. It is time that government in Hawaii reigned in spending to match revenues taken in from taxes. In my home, we are concentrating on paying down debt and saving money, not increasing spending and debt in the hopes that we will come into increased wages in future years. The people of Hawaii deserve fiscal responsibility and accountability and concern and care for the environment in which we live. Tax credits have been proven time and again to increase future revenues, and credits for environmentally sound products make sense for Hawaii.

Thank you,
Don Mangiarelli
Kailua, HI

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2009 11:16 AM
To: ENETestimony
Cc: cathybrigham@hawaii.rr.com
Subject: Testimony for SB1185 on 2/10/2009 3:45:00 PM

Testimony for ENE 2/10/2009 3:45:00 PM SB1185

Conference room: 225
Testifier position: support
Testifier will be present: No
Submitted by: Cathy Brigham
Organization: Individual
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Phone: 89086641594
E-mail: cathybrigham@hawaii.rr.com
Submitted on: 2/10/2009

Comments:

I recently purchasded a GEM electric vehicle. The reason I purchased this is the same reason I recyle all of my waste. It is the responsible thing to do. I drive a van and the amount of gas I utilized was very irresponsible. Mostly I run around Kailua and Kanehoe doing errands, going to the gym, going to work and it was a terrrible waste of fuel and seemed very irresponsible to me. It is the right thing to do as a citizen is to conserve and recycle. A tax credit may encourage more citizens to change their fuel consumption and reduce our dependence upon foreign fuel.

Cathy & Christopher Brigham
Kailua