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HOUSE COMMITTEE ON TRANSPORTATION
Tuesday, March 11, 2025 — 9:00 a.m.

Ulupono Initiative supports and offers comments on SB 1117 SD 2, Relating to Transportation.

Dear Chair Kila and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports SB 1117 SD 2 and offers comments. This bill renames the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program; expands eligibility and amends the maximum rebate amounts; prohibits individuals under fifteen years of age from riding electric bicycles; amends the age requirement for helmet use from sixteen to eighteen years of age; allows use of electric bicycles on public sidewalks, subject to certain conditions; authorizes rather than requires that mopeds use bicycles lanes; establishes rules for electric bicycles operation; defines "electric motorcycle"; prohibits individuals under 18 years of age from operating an electric motorcycle or motor-driven cycle; requires that electric motorcycle operators carry an insurance policy by incorporating electric motorcycles into the insurance laws governing motorcycles and motor scooters; changes the term "motor scooter" to "motor-driven vehicle"; and makes conforming amendments.

We are excited to see many of these changes, but we do believe additional amendments would continue to improve the bill. These include:

1) **Removing the percentage requirement of the subsidy** — Although having the subsidy cover 50 percent is better than 20 percent, it still limits the subsidy to those who have several hundred dollars readily available. Past survey and outreach work performed by the Hawai'i State Energy Office indicated that the up-front cost of e-bikes remains a significant barrier for people to access this mode and, by extension, all the additional job, educational, and housing opportunities that it may unlock. In addition, the current structure could unintentionally encourage more expensive e-bike purchases by people of means in order to access the largest subsidy possible. Conversely, 44% of

Hawai‘i households fall below the ALICE threshold[1], suggesting they may struggle to purchase an e-bike with the average price being $1,600, based on recent data from Hawai‘i Department of Transportation.[2]

2) **Adding a point-of-sale component to the program** — We understand that a point-of-sale solution requires more infrastructure to implement, but recent National Institute for Transportation and Communities research found that point-of-sale mechanisms for e-bike programs are 30 percent more effective than other rebate programs, and it ensures the rebate is more universally available, regardless of personal income.[3]

Although the current program has helped more than 450 people, it still hasn't achieved its full potential impact.[4] If the proposed improvements are made, we can expect to see the following benefits in Hawai‘i:

- **Reduce the cost of living** — ‘Ohana with e-bikes save almost $380/year on transportation costs (mostly fuel and maintenance). When aggregated across the program potential, that is an additional $630,000 per year in savings for participants. That's money they can choose to spend on food, clothes, and other necessities.[5]
- **Increased participation** — With more than $540,000 remaining in the program, e-bike costs remain one of the largest barriers for lower-income residents.[6] Meaningful subsidies enables more to participate.
- **Reduce fossil fuels consumption** — Encouraging more active transportation equates to individual reduction in driving by 7 percent by 2035 and community-wide avoidance of consuming 19,500 barrels of oil per year (enough to power 50 Hawai‘i homes).[7]

Electric mobility devices can transform our community's transportation habits and help provide real transportation choices. We look forward to the continued success of the program.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

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[1] https://www.unitedforalice.org/state-overview/hawaii
[2] Inferred from the average subsidy amount.
[3] Jones, Luke, et al. "Consumer purchase response to e-bike incentives: Results form a nationwide stated preference study." https://www.sciencedirect.com/science/article/abs/pii/S1361920924000713?via%3Dihub April 24, 2024
[4] https://www.denverpost.com/2023/01/05/ebike-rebate-program-denver-2023/
[5] Impacts calculated for Hawai‘i-specific inputs based on RMI's e-bike environmental and economic impact assessment tool based on the bill's proposed incentives for 3 years and up to $2.1 million. https://rmi.org/insight/e-bike-environment-and-economics-impact-assessment-calculator/
[6] Presentation available upon request from the Hawai‘i State Energy Office (December 2023 virtual briefing)
[7] Same as above, but note adapted for Hawai‘i home energy consumption (2x as much as the average American home).