

SENATE FLOOR AMENDMENT

FLOOR AMENDMENT NO. 3 Date MAR - 7 2006

TO: S.B. No. 3161 S.D.2

SECTION 1. Senate Bill No. 3161 S.D.2, section 3, is amended as follows:

~~"[SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000, or so much thereof as may be necessary for fiscal year 2006-2007, for Rocky Mountain Institute to conduct a statewide multi-fuel biofuels production assessment of potential feedstocks, technologies, and economics of the various renewable fuels pathways and the potential for ethanol, biodiesel, and renewable hydrogen production to contribute to Hawaii's near-, mid-, and long-term energy needs. The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this part.]"~~

SECTION 2. Senate Bill No. 3161 S.D.2, section 4, is amended as follows:

~~"[SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000, or so much thereof as may be necessary, for fiscal year 2006-2007 to provide assistance to the agricultural community interested in developing energy projects, especially for the production of biodiesel from energy crops and cellulosic ethanol from agricultural waste streams, and to seek funding that may be available from the United States Departments of Agriculture and~~



~~Energy, and other external sources. The sum appropriated shall be expended by the department of agriculture for the purposes of this part.] "~~

SECTION 3. Senate Bill No. 3161 S.D.2, section 7, is amended as follows:

~~"[SECTION 7. (a) There is appropriated out of the general revenues of the State of Hawaii the sum of \$750,000, or so much thereof as may be necessary, for fiscal year 2006-2007 to carry out the purposes of this part, of which \$250,000 shall be allocated to three permanent full-time equivalent (3.0 FTE) professional positions namely, a hydrogen program manager, hydrogen program specialist, and hydrogen project specialist. The sum appropriated shall be expended by the department of business, economic development, and tourism.~~

~~(b) There is appropriated out of the general revenues of the State of Hawaii the sum of \$10,000,000 for fiscal year 2006-2007 to be paid into the hydrogen investment capital special fund to carry out the purposes of section 6. The sum appropriated shall be expended by department of business, economic development, and tourism.] "~~

SECTION 4. Senate Bill No. 3161 S.D.2, section 8, is amended as follows:

~~"[SECTION 8. There is appropriated out of the hydrogen investment capital special fund the sum of \$10,000,000, or so much thereof as may be necessary, for fiscal year 2006-2007 to~~

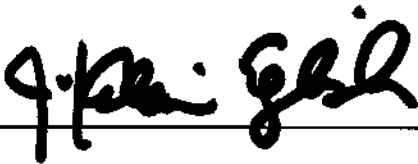
~~be used for the purposes of the hydrogen investment capital special fund.~~

~~The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.]"~~

SECTION 5. Senate Bill No. 3161 S.D.2, section 10, is amended as follows:

"SECTION 6. This Act shall take effect upon its approval."

Offered by:



Carried

Failed to Carry

Withdrawn



A BILL FOR AN ACT

RELATING TO RENEWABLE ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 103D, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§103D- Biofuel preference. (a) Notwithstanding any
5 other law to the contrary, contracts for the purchase of diesel
6 fuel or boiler fuel shall be awarded to the lowest responsible
7 and responsive bidders, with preference given to bids for
8 biofuels or blends of biofuel and petroleum fuel.

9 (b) When purchasing fuel for use in diesel engines, the
10 preference shall be cents per gallon of one hundred per
11 cent biodiesel. For blends containing both biodiesel and
12 petroleum-based diesel, the preference shall be applied only to
13 the biodiesel portion of the blend.

14 (c) When purchasing fuel for use in boilers, the
15 preference shall be cents per gallon of 100 per cent
16 biofuel. For blends containing both biofuel and petroleum based
17 boiler fuel, the preference shall be applied only to the biofuel
18 portion of the blend.



1 (d) As used in this section, "biodiesel" means a vegetable
 2 oil based fuel which meets ASTM International Standard D6751,
 3 "Specification for Biodiesel Fuel Blend Stock (B100) for
 4 Distillate Fuels", as amended.

5 (e) As used in this section, "biofuel" means fuel from
 6 non-petroleum plant or animal based sources that can be used for
 7 the generation of heat or power."

8 SECTION 2. Section 226-18, Hawaii Revised Statutes, is
 9 amended to read as follows:

10 **"§226-18 Objectives and policies for facility systems--**

11 **energy.** (a) Planning for the State's facility systems with
 12 regard to energy shall be directed toward the achievement of the
 13 following objectives, giving due consideration to all:

- 14 (1) Dependable, efficient, and economical statewide energy
- 15 systems capable of supporting the needs of the people;
- 16 (2) Increased energy self-sufficiency where the ratio of
- 17 indigenous to imported energy use is increased;
- 18 (3) Greater energy security in the face of threats to
- 19 Hawaii's energy supplies and systems; and
- 20 (4) Reduction, avoidance, or sequestration of greenhouse
- 21 gas emissions from energy supply and use.

1 (b) To achieve the energy objectives, it shall be the
2 policy of this State to ensure the provision of adequate,
3 reasonably priced, and dependable energy services to accommodate
4 demand.

5 (c) To further achieve the energy objectives, it shall be
6 the policy of this State to:

7 (1) Support research and development as well as promote
8 the use of renewable energy sources;

9 (2) Ensure that the combination of energy supplies and
10 energy-saving systems is sufficient to support the
11 demands of growth;

12 (3) Base decisions of least-cost supply-side and
13 demand-side energy resource options on a comparison of
14 their total costs and benefits when a least-cost is
15 determined by a reasonably comprehensive,
16 quantitative, and qualitative accounting of their
17 long-term, direct and indirect economic,
18 environmental, social, cultural, and public health
19 costs and benefits;

20 (4) Promote all cost-effective conservation of power and
21 fuel supplies through measures including:

- 1 (A) Development of cost-effective demand-side
2 management programs;
- 3 (B) Education; and
- 4 (C) Adoption of energy-efficient practices and
5 technologies;
- 6 (5) Ensure to the extent that new supply-side resources
7 are needed, the development or expansion of energy
8 systems utilizes ~~[the]~~ a diverse assortment of
9 least-cost energy supply ~~[option]~~ options and
10 resources and maximizes efficient technologies;
- 11 (6) Support research, development, and demonstration of
12 energy efficiency, load management, and other
13 demand-side management programs, practices, and
14 technologies;
- 15 (7) Promote alternate fuels and energy efficiency by
16 encouraging diversification of transportation fuels,
17 modes, and infrastructure;
- 18 (8) Support actions that reduce, avoid, or sequester
19 greenhouse gases in utility, transportation, and
20 industrial sector applications; ~~[and]~~



- 1 (9) Support actions that reduce, avoid, or sequester
2 Hawaii's greenhouse gas emissions through agriculture
3 and forestry initiatives[-];
- 4 (10) Provide priority handling and processing, and expedite
5 action on all state agency permits required for
6 renewable energy projects; and
- 7 (11) Support a renewable fuels standard of ten per cent of
8 highway fuel demand to be provided by renewable fuels
9 by 2010, fifteen per cent by 2015, and twenty per cent
10 by 2020. "Renewable fuels" include:
- 11 (A) Ethanol, with each gallon of ethanol produced
12 from cellulosic materials considered the
13 equivalent of 2.5 gallons of noncellulosic
14 ethanol;
- 15 (B) Biodiesel; and
- 16 (C) Hydrogen or other liquid or gaseous fuels
17 produced either from renewable feedstocks,
18 including organic wastes, or from water, using
19 electricity from renewable energy sources."

20 SECTION 3. Chapter 196A, Hawaii Revised Statutes, is
21 amended by adding a new section to be appropriately designated
22 and to read as follows:

1 "§196A- Hawaii renewable hydrogen program. (a) There
2 is established within the department of business, economic
3 development, and tourism, a Hawaii renewable hydrogen program,
4 to coordinate the State's transition to a renewable hydrogen
5 economy. The program shall plan, implement, and conduct
6 activities including:

- 7 (1) Strategic partnerships with the private sector, the
8 federal government, national and international
9 organizations, such as national laboratories and
10 universities, other states, and Hawaii stakeholders
11 for research, development, testing, and deployment of
12 renewable hydrogen technologies;
- 13 (2) Engineering and economic studies to define Hawaii's
14 potential for renewable hydrogen and evaluate
15 near-term project opportunities presented by the
16 State's available renewable resources;
- 17 (3) Electric grid reliability and security projects that
18 will enable integration of extensive renewable
19 electricity on the island of Hawaii;
- 20 (4) Hydrogen demonstration projects, including
21 infrastructure for the production, storage, and
22 refueling of hydrogen vehicles;

- 1 (8) A plan, for implementation during 2010-2020, to
- 2 transition the island of Hawaii to a hydrogen-fueled
- 3 economy by 2020, and to initiate that model throughout
- 4 the State; and
- 5 (9) An evaluation of policy instruments and development,
- 6 in coordination with program partners, of policy
- 7 recommendations to encourage the adoption of
- 8 hydrogen-fueled vehicles, to continually replenish the
- 9 hydrogen investment capital special fund, and to
- 10 support investment in hydrogen infrastructure,
- 11 including production, storage, and dispensing
- 12 facilities."

13 SECTION 4. Chapter 211F, Hawaii Revised Statutes, is
 14 amended by adding a new section to be appropriately designated
 15 and to read as follows:

- 16 "§211F- Hydrogen investment capital special fund. (a)
- 17 There shall be established a hydrogen investment capital special
- 18 fund into which shall be deposited:
- 19 (1) Appropriations made by the legislature to the fund;
 - 20 (2) All contributions from public or private partners;
 - 21 (3) All interest earned on or accrued to moneys deposited
 - 22 in the special fund; and

1 (4) Any other moneys made available to the special fund
2 from other sources.

3 (b) Moneys in the fund shall be used:

4 (1) To seed private sector and federal projects for
5 research, development, testing, and deployment of
6 renewable hydrogen systems in Hawaii;

7 (2) To pay reasonable expenses incurred by fund advisory
8 board members in the execution of their relevant
9 duties; and

10 (3) For any other purpose deemed necessary to carry out
11 the purposes of this section.

12 (c) Investment of the hydrogen investment capital special
13 fund in hydrogen projects shall be made with the advice and
14 assistance of an advisory board of experts and knowledgeable
15 individuals who shall be appointed by the director of the
16 department of business, economic development, and tourism to
17 help the State develop projects and partnerships with industry
18 and the federal government."

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 6. This Act shall take effect upon its approval.

Report Title:

Renewable Energy

Description:

Establishes a biofuel preference; establishes objectives and policies for state facility systems with regard to energy; establishes a renewable hydrogen program and hydrogen investment capital special fund. (SD3)

