
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 (5) A statewide hydrogen economy public education and
2 outreach plan, focusing on the island of Hawaii, to be
3 developed in coordination with Hawaii's public
4 education institutions;
- 5 (6) The promotion of Hawaii's renewable hydrogen assets
6 and project opportunities to potential partners and
7 investors;
- 8 (7) A plan, for implementation during 2007-2010, to more
9 fully deploy hydrogen technologies and infrastructure
10 capable of supporting the island of Hawaii's fuel
11 needs, including:
 - 12 (A) Expanded installation of hydrogen production
13 facilities;
 - 14 (B) Development of integrated energy systems
15 including hydrogen vehicles;
 - 16 (C) Construction of additional hydrogen refueling
17 stations; and
 - 18 (D) Encouragement of building design and construction
19 that fully incorporates clean energy assets,
20 including reliance on hydrogen-fueled distributed
21 generation;



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)

