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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. The legislature finds that Hawaii's dependence  
2 on petroleum for about ninety per cent of its energy needs is  
3 more than any other state in the nation. This makes the state  
4 extremely vulnerable to any oil embargo, supply disruption,  
5 international market dysfunction, and many other factors beyond  
6 the control of the State. Furthermore, the continued  
7 consumption of conventional petroleum fuel negatively impacts  
8 the environment. At the same time, Hawaii has among the most  
9 abundant renewable energy resources in the world, in the form of  
10 solar, geothermal, wind, biomass, and ocean energy assets.

11           The legislature also finds that increased energy efficiency  
12 and use of renewable energy resources would increase Hawaii's  
13 energy self-sufficiency, achieving broad societal benefits,  
14 including increased energy security, resistance to increases in  
15 oil prices, environmental sustainability, economic development,  
16 and job creation.



1 To shape Hawaii's energy future and achieve the goal of  
2 energy self-sufficiency for the State of Hawaii, our efforts  
3 must continue on all fronts, integrating new and evolving  
4 technologies, seizing upon economic opportunities to become more  
5 energy efficient and economically diversified, and providing  
6 incentives and assistance to address barriers.

7 The purpose of this Act is to encourage further production  
8 and use of biofuels in Hawaii by:

- 9 (1) Establishing biofuel processing facilities as a  
10 permitted use in designated agricultural districts  
11 under chapter 205, Hawaii Revised Statutes; and  
12 (2) Establishing an energy feedstock program within the  
13 department of agriculture to encourage the production  
14 of energy feedstock in Hawaii and establish a baseline  
15 percentage of energy feedstock to be grown in the  
16 State to meet Hawaii's energy requirements.

17 PART I. BIOFUEL PROCESSING FACILITIES

18 SECTION 2. Section 205-2, Hawaii Revised Statutes, is  
19 amended by amending subsection (d) to read as follows:

20 "(d) Agricultural districts shall include:

- 21 (1) Activities or uses as characterized by the cultivation  
22 of crops, orchards, forage, and forestry;



- 1 (2) Farming activities or uses related to animal  
2 husbandry, and game and fish propagation;
- 3 (3) Aquaculture, which means the production of aquatic  
4 plant and animal life within ponds and other bodies of  
5 water;
- 6 (4) Wind generated energy production for public, private,  
7 and commercial use;
- 8 (5) Biofuel production as described in section  
9 205-4.5(a)(15) for public, private, and commercial  
10 use;
- 11 ~~(5)~~ (6) Bona fide agricultural services and uses that  
12 support the agricultural activities of the fee or  
13 leasehold owner of the property and accessory to any  
14 of the above activities, whether or not conducted on  
15 the same premises as the agricultural activities to  
16 which they are accessory, including but not limited to  
17 farm dwellings as defined in section 205-4.5(a)(4),  
18 employee housing, farm buildings, mills, storage  
19 facilities, processing facilities, vehicle and  
20 equipment storage areas, roadside stands for the sale  
21 of products grown on the premises, and plantation



1 community subdivisions as defined in section  
2 205-4.5(a)(12);  
3 ~~(6)~~ (7) Wind machines and wind farms;  
4 ~~(7)~~ (8) Small-scale meteorological, air quality, noise,  
5 and other scientific and environmental data collection  
6 and monitoring facilities occupying less than one-half  
7 acre of land; provided that these facilities shall not  
8 be used as or equipped for use as living quarters or  
9 dwellings;  
10 ~~(8)~~ (9) Agricultural parks;  
11 ~~(9)~~ (10) Agricultural tourism conducted on a working  
12 farm, or a farming operation as defined in section  
13 165-2, for the enjoyment, education, or involvement of  
14 visitors; provided that the agricultural tourism  
15 activity is accessory and secondary to the principal  
16 agricultural use and does not interfere with  
17 surrounding farm operations; and provided further that  
18 this paragraph shall apply only to a county that has  
19 adopted ordinances regulating agricultural tourism  
20 under section 205-5; and  
21 ~~(10)~~ (11) Open area recreational facilities.



1 Agricultural districts shall not include golf courses and golf  
2 driving ranges, except as provided in section 205-4.5(d).  
3 Agricultural districts include areas that are not used for, or  
4 that are not suited to, agricultural and ancillary activities by  
5 reason of topography, soils, and other related characteristics."

6 SECTION 3. Section 205-4.5, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8 "(a) Within the agricultural district, all lands with soil  
9 classified by the land study bureau's detailed land  
10 classification as overall (master) productivity rating class A  
11 or B shall be restricted to the following permitted uses:

- 12 (1) Cultivation of crops, including but not limited to  
13 flowers, vegetables, foliage, fruits, forage, and  
14 timber;
- 15 (2) Game and fish propagation;
- 16 (3) Raising of livestock, including but not limited to  
17 poultry, bees, fish, or other animal or aquatic life  
18 that are propagated for economic or personal use;
- 19 (4) Farm dwellings, employee housing, farm buildings, or  
20 activities or uses related to farming and animal  
21 husbandry. "Farm dwelling", as used in this  
22 paragraph, means a single-family dwelling located on



1 and used in connection with a farm, including clusters  
2 of single-family farm dwellings permitted within  
3 agricultural parks developed by the State, or where  
4 agricultural activity provides income to the family  
5 occupying the dwelling;

6 (5) Public institutions and buildings that are necessary  
7 for agricultural practices;

8 (6) Public and private open area types of recreational  
9 uses, including day camps, picnic grounds, parks, and  
10 riding stables, but not including dragstrips,  
11 airports, drive-in theaters, golf courses, golf  
12 driving ranges, country clubs, and overnight camps;

13 (7) Public, private, and quasi-public utility lines and  
14 roadways, transformer stations, communications  
15 equipment buildings, solid waste transfer stations,  
16 major water storage tanks, and appurtenant small  
17 buildings such as booster pumping stations, but not  
18 including offices or yards for equipment, material,  
19 vehicle storage, repair or maintenance, treatment  
20 plants, corporation yards, or other similar  
21 structures;



- 1 (8) Retention, restoration, rehabilitation, or improvement
- 2 of buildings or sites of historic or scenic interest;
- 3 (9) Roadside stands for the sale of agricultural products
- 4 grown on the premises;
- 5 (10) Buildings and uses, including but not limited to
- 6 mills, storage, and processing facilities, maintenance
- 7 facilities, and vehicle and equipment storage areas
- 8 that are normally considered directly accessory to the
- 9 above mentioned uses and are permitted under section
- 10 205-2(d);
- 11 (11) Agricultural parks;
- 12 (12) Plantation community subdivisions, which as used in
- 13 this paragraph means a subdivision or cluster of
- 14 employee housing, community buildings, and acreage
- 15 established on land currently or formerly owned,
- 16 leased, or operated by a sugar or pineapple plantation
- 17 and in residential use by employees or former
- 18 employees of the plantation; provided that the
- 19 employees or former employees shall have a property
- 20 interest in the land;
- 21 [†](13)[†] Agricultural tourism conducted on a working farm, or
- 22 a farming operation as defined in section 165-2, for



1 the enjoyment, education, or involvement of visitors;  
2 provided that the agricultural tourism activity is  
3 accessory and secondary to the principal agricultural  
4 use and does not interfere with surrounding farm  
5 operations; and provided further that this paragraph  
6 shall apply only to a county that has adopted  
7 ordinances regulating agricultural tourism under  
8 section 205-5; [~~or~~

9 ~~+] (14) [+~~ Wind energy facilities, including the appurtenances  
10 associated with the production and transmission of  
11 wind generated energy; provided that [~~such~~] the wind  
12 energy facilities and appurtenances are compatible  
13 with agriculture uses and cause minimal adverse impact  
14 on agricultural land[-]; or

15 (15) Biofuel processing facilities, including the  
16 appurtenances associated with the production,  
17 collection, or cultivation of biomass crops,  
18 agricultural residues, and oil crops; provided that  
19 biofuels processing facilities and appurtenances shall  
20 be compatible with other agricultural uses in the  
21 vicinity and cause a minimal adverse impact on  
22 agricultural land.





1           For the purposes of this paragraph:

2                   "Appurtenances" means operational  
3                   infrastructure of the appropriate type and scale  
4                   for economic commercial storage and distribution,  
5                   and other similar handling of feedstock, fuels,  
6                   and other products of biofuels processing  
7                   facilities.

8                   "Biofuel processing facility" means a  
9                   facility that produces liquid or gaseous fuels  
10                   from organic sources such as biomass crops,  
11                   agricultural residues, and oil crops, including  
12                   palm, canola, soybean, and waste cooking oils;  
13                   grease; food wastes; and animal residues and  
14                   wastes that can be used to generate energy.

15           PART II. ENERGY FEEDSTOCK PRODUCTION

16           SECTION 4. The legislature finds that there is  
17           considerable interest in producing biofuels in Hawaii to meet  
18           alternative energy mandates. Current law requires a ten per  
19           cent ethanol content for gasoline. The demand for biofuel  
20           production in Hawaii is steadily increasing, which has been the  
21           catalyst for the creation of private entities to produce  
22           biofuels in this State. However, there is a lack of feedstock



1 in Hawaii to produce biofuels, which means that private entities  
2 must import feedstock. Because of the state's remoteness, it is  
3 imperative for the state to be energy self-sufficient.

4 Feedstock is necessary to produce biofuels in order to attain  
5 energy self-sufficiency. There are many crops that can grow in  
6 tropical environments that may be ideal feedstock for bioenergy  
7 production.

8 The purpose of this part is to develop an energy feedstock  
9 program within the department of agriculture to encourage the  
10 production of energy feedstock in Hawaii and establish a  
11 baseline percentage of energy feedstock to be grown in the state  
12 to meet its energy requirements.

13 SECTION 5. Chapter 141, Hawaii Revised Statutes, is  
14 amended by adding a new section to be appropriately designated  
15 and to read as follows:

16 **"§141- Energy feedstock program.** (a) There is  
17 established within the department of agriculture an energy  
18 feedstock program that shall:

19 (1) Maintain cognizance of actions taken by industry and  
20 by federal, state, county, and private agencies in  
21 activities relating to the production of energy



1           feedstock, and promote and support worthwhile energy  
2           feedstock production activities in the state;  
3       (2) Serve as an information clearinghouse for energy  
4           feedstock production activities;  
5       (3) Coordinate development projects to investigate and  
6           solve biological and technical problems involved in  
7           raising selected species with commercial energy  
8           generating potential;  
9       (4) Actively seek federal funding for energy feedstock  
10           production activities;  
11       (5) Undertake activities required to develop and expand  
12           the energy feedstock production industry; and  
13       (6) Perform other functions and activities as may be  
14           assigned by law, including monitoring the compliance  
15           provisions under section 205-4.5(a)(15).  
16       (b) The chairperson of the board of agriculture shall  
17           consult and coordinate with the energy resources coordinator  
18           under chapter 196 to establish objectives for the production of  
19           energy feedstock. The chairperson and the coordinator shall  
20           establish a baseline percentage of energy feedstock to be grown  
21           in the state to provide for its energy needs.



1        (c) The chairperson of the board of agriculture shall also  
2 consult and coordinate with research programs and activities at  
3 the University of Hawaii that will assist in the further growth  
4 and promotion of the energy feedstock production industry in  
5 Hawaii.

6        (d) The chairperson of the board of agriculture may employ  
7 temporary staff exempt from chapter 76. The board may adopt  
8 rules pursuant to chapter 91 to effectuate the purposes of this  
9 section."

10        SECTION 6. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12        SECTION 7. This Act shall take effect upon its approval.



**Report Title:**

Biofuels; Omnibus Package

**Description:**

Adds biofuel processing facilities to the list of permitted uses in an agricultural district. Establishes an energy feedstock program to develop a baseline percentage of energy feedstock to be grown in the State. (SB1943 HD1)

