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## A BILL FOR AN ACT

RELATING TO THE DEFINITION OF RENEWABLE ENERGY PRODUCER.

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

1           SECTION 1. Act 102, Session Laws of Hawaii 2002, relating  
2 to leasing of public lands for renewable energy purposes,  
3 authorized the board of land and natural resources to lease  
4 public lands to renewable energy producers through direct  
5 negotiation. The intent of Act 102, Session Laws of Hawaii  
6 2002, was to encourage the development of renewable energy  
7 projects and to reduce the State's dependency on fossil fuels.

8           The inclusion of biofuels in the definition of renewable  
9 energy recognized the value of this important renewable energy  
10 technology. The current law, however, does not take into  
11 consideration that, unlike other renewable energy technologies,  
12 biofuel production does not require its fuel production  
13 facilities to be located at the same location as the energy  
14 source. In fact, due to generally different requirements for  
15 industrial and agricultural zoned districts, it is often  
16 advantageous to separate biofuel production facilities from the  
17 sources of its feedstock. The growing and production of the



1 organic materials that constitute the feedstock for biofuel  
2 production is an inseparable part of that production process.

3 Accordingly, the legislature finds that, as an integral  
4 part of the production of biofuels as a renewable energy source,  
5 growers and producers of organic materials used primarily for  
6 the production of biofuels or other fuels should be allowed to  
7 lease public lands through direct negotiation.

8 The purpose of this Act is to amend the definition of  
9 "renewable energy producer" under section 171-95, Hawaii Revised  
10 Statutes, to include growers and producers of organic materials  
11 used primarily for the production of biofuels or other fuels, so  
12 that they will be eligible for direct leases of public land.

13 SECTION 2. Section 171-95, Hawaii Revised Statutes, is  
14 amended by amending subsection (c) to read as follows:

15 "(c) For the purposes of this section, "renewable energy  
16 producer" means [any]:

17 (1) Any producer of electrical or thermal energy produced  
18 by wind, solar energy, hydropower, landfill gas,  
19 waste-to-energy, ocean thermal energy conversion, cold  
20 seawater, wave energy, biomass, including municipal  
21 solid waste, biofuels or fuels derived from organic  
22 sources, hydrogen fuels derived primarily from



1 renewable energy, or fuel cells where the fuel is  
2 derived primarily from renewable sources that sell all  
3 of the net power produced from the demised premises to  
4 an electric utility company regulated under chapter  
5 269 or that sells all of the thermal energy it  
6 produces to customers of district cooling systems[~~-~~  
7 ~~up~~]; provided that up to twenty-five per cent of the  
8 power produced by a renewable energy producer and sold  
9 to the utility or to district cooling system customers  
10 may be derived from fossil fuels[~~-~~]; or

11 (2) Any grower or producer of organic materials used  
12 primarily for the production of biofuels or other  
13 fuels; provided that nothing herein is intended to  
14 prevent the waste product or byproduct of the organic  
15 material grown or produced for the production of  
16 biofuel, other fuels, electrical energy, or thermal  
17 energy, from being used for other useful purposes."

18 SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect upon its approval.



**Report Title:**

Renewable Energy Producer

**Description:**

Amends the definition of "renewable energy producer" to include growers and producers of organic materials used primarily for the production of biofuels or other fuels, so that they will be eligible for direct leases of public land. (SD1)

