

JAN 23 2009

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# A BILL FOR AN ACT

RELATING TO ENERGY RESOURCES.

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

1           SECTION 1. The legislature finds that the State of Hawaii,  
2 with its dependence on imported fuel, is particularly vulnerable  
3 to dislocations in the global energy market. This is an  
4 anomalous situation, as there are few places in the world so  
5 generously endowed with natural energy sources, such as  
6 geothermal, solar, ocean temperature differential, wind, waves,  
7 and currents, all of which are potential non-polluting power  
8 sources.

9           The purpose of this Act is to promote the use of local  
10 energy sources, which will reduce the State's reliance on  
11 imported fuels.

12           SECTION 2. Section 196-9, Hawaii Revised Statutes, is  
13 amended by amending subsection (c) to read as follows:

14           "(c) With regard to motor vehicles and transportation  
15 fuel, each agency shall:



- 1           (1) Comply with Title 10, Code of Federal Regulations,  
2                    Part 490, Subpart C, "Mandatory State Fleet Program",  
3                    if applicable;
- 4           (2) Comply with all applicable state laws regarding  
5                    vehicle purchases;
- 6           (3) Once federal and state vehicle purchase mandates have  
7                    been satisfied, purchase the most fuel-efficient  
8                    vehicles that meet the needs of their programs;  
9                    provided that life cycle cost-benefit analysis of  
10                  vehicle purchases shall include projected fuel costs;
- 11          (4) Purchase alternative fuels and ethanol blended  
12                  gasoline when available; provided that sufficient  
13                  quantities of competitively-priced ethanol produced in  
14                  Hawaii from locally grown renewable feedstocks or  
15                  waste materials are available;
- 16          (5) Evaluate a purchase preference for biodiesel blends,  
17                  as applicable to agencies with diesel fuel purchases;
- 18          (6) Promote efficient operation of vehicles;
- 19          (7) Use the most appropriate minimum octane fuel; provided  
20                  that vehicles shall use 87-octane fuel unless the  
21                  owner's manual for the vehicle states otherwise or the  
22                  engine experiences knocking or pinging;



1 (8) Beginning with fiscal year 2005-2006 as the baseline,  
2 collect and maintain, for the life of each vehicle  
3 acquired, the following data:

- 4 (A) Vehicle acquisition cost;
- 5 (B) United States Environmental Protection Agency  
6 rated fuel economy;
- 7 (C) Vehicle fuel configuration, such as gasoline,  
8 diesel, flex-fuel gasoline/E85, and dedicated  
9 propane;
- 10 (D) Actual in-use vehicle mileage;
- 11 (E) Actual in-use vehicle fuel consumption; and
- 12 (F) Actual in-use annual average vehicle fuel  
13 economy; and

14 (9) Beginning with fiscal year 2005-2006 as the baseline  
15 with respect to each agency that operates a fleet of  
16 thirty or more vehicles, collect and maintain, in  
17 addition to the data in paragraph (8), the following:

- 18 (A) Information on the vehicles in the fleet,  
19 including vehicle year, make, model, gross  
20 vehicle weight rating, and vehicle fuel  
21 configuration;
- 22 (B) Fleet fuel usage, by fuel;

- 1 (C) Fleet mileage; and
- 2 (D) Overall annual average fleet fuel economy and
- 3 average miles per gallon of gasoline and diesel."

4 SECTION 3. Section 196-42, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 **"[+]§196-42[+] State support for achieving alternate fuels**  
7 **standards.** The State shall facilitate the development of  
8 alternate fuels and support the attainment of a statewide  
9 alternate fuel standard of ten per cent of highway fuel demand  
10 to be provided by alternate fuels by 2010, fifteen per cent by  
11 2015, and twenty per cent by 2020. For purposes of the  
12 alternate fuels standard, ethanol produced from cellulosic  
13 materials shall be considered the equivalent of 2.5 gallons of  
14 noncellulosic ethanol. "Alternate fuels" shall have the same  
15 meaning as contained in 10 Code of Federal Regulations Part 490;  
16 provided that it shall also include liquid or gaseous fuels  
17 produced from renewable feedstocks such as organic wastes, or  
18 from water using electricity from renewable energy sources[-];  
19 provided further that it shall not include imported fuels."

20 SECTION 4. Section 486J-10, Hawaii Revised Statutes, is  
21 amended by amending subsection (d) to read as follows:

1           "(d) The director [~~may~~] shall authorize the sale of  
2 gasoline that does not meet the provisions of this section:

3           (1) To the extent that sufficient quantities of  
4           competitively-priced ethanol produced in Hawaii from  
5           locally grown renewable feedstocks or waste materials  
6           are not available to meet the minimum requirements of  
7           this section; or

8           (2) In the event of any other circumstances for which the  
9           director determines compliance with this section would  
10          cause undue hardship."

11          SECTION 5. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

Will Egan  
Michelle N. Sidani  
Amil Y. Ige



**Report Title:**

Energy Resources; Alternate Energy

**Description:**

Encourages the use of competitively-priced ethanol produced in Hawaii from locally grown renewable feedstocks or waste materials, when available; specifies that "alternate fuels" shall not include imported fuels.

