



GOV. MSG. NO. 1307

EXECUTIVE CHAMBERS
HONOLULU

NEIL A BERCROMBIE
GOVERNOR

July 8, 2011

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

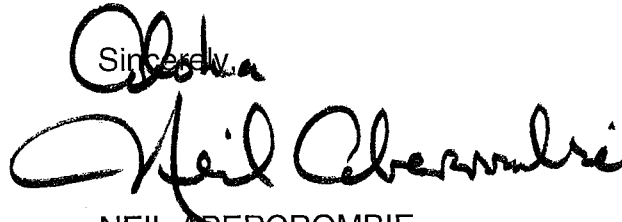
The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 8, 2011, the following bill was signed into law:

SB146 SD1 HD2 CD1

RELATING TO BIOFUEL.
Act 203 (11)

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor

on JUL 8 2011

THE SENATE

TWENTY-SIXTH LEGISLATURE, 2011

STATE OF HAWAII

ACT 203
S.B. NO. 146
S.D. 1
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO BIOFUEL.

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

1 SECTION 1. The legislature finds that the State needs to
2 expand the use of biofuels as a viable source of energy in order
3 to reduce dependence on fossil fuels and imported oil. The use
4 of biofuels is consistent with the State's goals relating to
5 renewable energy and sustainability. The legislature further
6 finds that imposing a statutory requirement to utilize biofuels
7 as energy may be premature at this time in view of the lack of
8 research and development in the industry, the nascent nature of
9 the industry, and the uncertain availability of biomass crops in
10 Hawaii to produce liquid or gaseous fuel.

11 The purpose of this Act is to direct the energy resources
12 coordinator to conduct a study and issue a preliminary and a
13 final report on the conditions and policies necessary to expand
14 biofuel production in the State to displace a significant amount
15 of petroleum-based liquid fuel.

16 SECTION 2. The energy resources coordinator shall conduct
17 a study and issue a report on the potential for biofuel
18 production in Hawaii to displace a significant amount of



1 petroleum-based liquid fuel. In compiling its report, the
2 coordinator shall consult with producers, including local
3 biofuel producers and local refineries; researchers; landowners;
4 distributors; and end users, including airlines, fleets,
5 utilities, and the military, on the conditions and policies
6 necessary for biofuel production and use in Hawaii to displace a
7 significant amount of petroleum-based liquid fuel.

8 The report shall include information on the following types
9 of biofuel:

- 10 (1) Ethanol;
- 11 (2) Cellulosic ethanol;
- 12 (3) Fatty-acid-methyl-ester biodiesel;
- 13 (4) Synthetic or bio-based:
 - 14 (A) Diesel fuel;
 - 15 (B) Gasoline; and
 - 16 (C) Jet fuel; and
- 17 (5) Any other type of biofuel the coordinator deems
18 relevant to the study.

19 SECTION 3. (a) For each type of biofuel listed in section
20 2 of this Act, the energy resources coordinator's report
21 pursuant to section 2 of this Act shall include the following
22 information:



- 1 (1) The State's projected demand in the near-term,
2 mid-term, and long-term for the biofuel's
3 petroleum-based counterparts;
- 4 (2) Types of feedstock that could be used;
- 5 (3) Availability of feedstock within the State in the
6 near-term, mid-term, and long-term;
- 7 (4) Availability of feedstock out-of-state in the
8 near-term, mid-term, and long-term;
- 9 (5) Production within the State in the near-term,
10 mid-term, and long-term;
- 11 (6) Production out-of-state in the near-term, mid-term,
12 and long-term;
- 13 (7) Costs in the near-term, mid-term, and long-term for
14 biofuel product produced within the State;
- 15 (8) Costs in the near-term, mid-term, and long-term for
16 biofuel product produced out-of-state;
- 17 (9) Status of the technology;
- 18 (10) ASTM specifications;
- 19 (11) Realistic timeline of production within the State;
- 20 (12) Benefits to the State's economy;
- 21 (13) Emissions compared to other comparable biofuels and to
22 its petroleum-based counterpart;



1 (14) Logistics of handling and usage compared to other
2 comparable biofuels and to its petroleum-based
3 counterpart; and

4 (15) Stability of supply and costs compared to other
5 biofuels and to its petroleum-based counterpart.

6 For the purposes of this Act:

7 "Long-term" means longer than ten years.

8 "Mid-term" means from three to ten years.

9 "Near-term" means within three years.

10 (b) The energy resources coordinator's report shall
11 include recommendations, taking into account the federal
12 Renewable Fuel Standards II, as amended, on the following:

13 (1) Whether any specific biofuel mandate is necessary in
14 order for biofuel production and use in Hawaii to
15 displace a significant amount of petroleum-based
16 liquid fuel; and

17 (2) Whether the ethanol fuel requirement in section
18 486J-10, Hawaii Revised Statutes, should be
19 maintained, modified, or repealed.

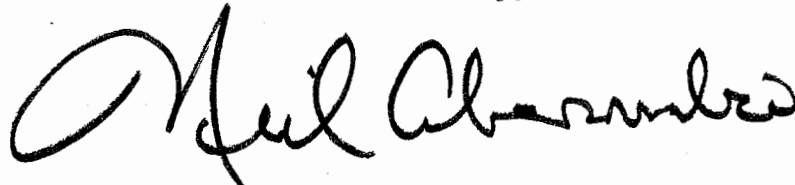
20 The coordinator shall include the rationale for all
21 recommendations made in the report.



1 (c) The energy resources coordinator shall issue a
2 preliminary report of findings and recommendations to the
3 legislature no later than twenty days prior to the convening of
4 the regular session of 2012 and a final report of findings and
5 recommendations to the legislature no later than twenty days
6 prior to the convening of the regular session of 2013; provided
7 that the preliminary and final reports may be included in the
8 energy resources coordinator's respective annual reports to the
9 governor and legislature, pursuant to section 196-4(11), Hawaii
10 Revised Statutes.

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

APPROVED this 8 day of JUL, 2011



GOVERNOR OF THE STATE OF HAWAII