

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 146
S.D. 1
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 146, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BIOFUEL,"

begs leave to report as follows:

The purpose of this bill is to work toward expanding the use of biofuels as a viable source of energy in Hawaii by requiring diesel fuel sold in the State for use in motor vehicles to contain five percent biodiesel that is produced in the State from locally-sourced products meeting certain certification standards.

This bill also:

- (1) Allows the Director of Business, Economic Development, and Tourism (DBEDT), under special conditions, to authorize the sale of diesel fuel that does not meet the aforementioned provision; and
- (2) Requires distributors to file with DBEDT, such documents as:
 - (A) The price and amount of biodiesel available;
 - (B) The amount of biodiesel-blended fuel sold by the distributor; and



- (C) The amount of non-biodiesel-blended diesel fuel sold by the distributor.

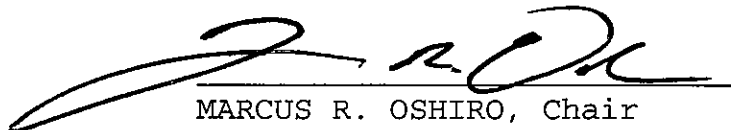
Aina Koa Pono, LLC, and Pacific Biodiesel, Inc., supported this measure. Mid Pac Petroleum and a concerned individual opposed this bill. Western States Petroleum Association, Air Transport Association of America, Inc., and Hawaii Fueling Facilities Corporation offered comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 146, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 146, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



