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**A BILL FOR AN ACT**

RELATING TO GREENHOUSE GAS EMISSION RULES.

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

1           SECTION 1. Act 234, Session Laws of Hawaii 2007, in part  
2 required that the Director of Health adopt rules, by  
3 December 31, 2011, to achieve reductions of greenhouse gas  
4 emissions "based upon the recommendations and findings of the  
5 work plan created" by the Greenhouse Gas Emission Reduction Task  
6 Force that the Act also created. The task force's final report  
7 and work plan to the 2010 legislature did not specify a  
8 regulatory air pollution control scheme for the Department of  
9 Health to adopt and specifically recognized the need to  
10 coordinate state efforts with ongoing U.S. Environmental  
11 Protection Agency (EPA) developments. The EPA continues to  
12 adopt new regulations regarding greenhouse gases, both as to  
13 reporting and emission controls.

14           The department needs flexibility to adopt greenhouse gas  
15 rules after national requirements become clearer and a  
16 regulatory scheme has been developed by the State. This bill  
17 will change the mandate of the Act by removing the deadline for  
18 specific rules but providing the Department of Health with the

1 flexibility in its efforts to regulate the greenhouse gas  
2 emissions and to incorporate a reporting requirement.

3 SECTION 2. Section 342B-72, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§342B-72 Greenhouse gas emissions limits; rules.**

6 (a) [~~Before December 31, 2011, the~~] The director [~~shall~~]  
7 may adopt rules pursuant to chapter 91:

8 (1) Establishing greenhouse gas emission limits applicable  
9 to sources or categories of sources [~~, to be achieved~~  
10 ~~by January 1, 2020,~~] and establishing emission  
11 reduction measures to achieve the maximum practically  
12 and technically feasible and cost-effective reductions  
13 in greenhouse gas emissions in furtherance of  
14 achieving the statewide greenhouse gas emissions  
15 limit; and

16 (2) Requiring the reporting and verification of statewide  
17 greenhouse gas emissions and to monitor and enforce  
18 compliance with this part [~~, to become operative~~  
19 ~~beginning on January 1, 2012~~].

20 (b) The director, to the extent feasible to achieve the  
21 statewide greenhouse gas emissions limit, [~~shall~~] may adopt  
22 rules pursuant to chapter 91 and this section based upon the

1 recommendations and findings of the work plan created pursuant  
2 to section 6 of Act 234, Session Laws of Hawaii 2007.

3 (c) Any rule adopted by the director pursuant to this  
4 section shall ensure all of the following:

5 (1) The greenhouse gas emission reductions achieved are  
6 real, permanent, quantifiable, verifiable, and  
7 enforceable by the director; and

8 (2) If applicable, the greenhouse gas emission reduction  
9 occurs over the same time period and is equivalent in  
10 amount to any direct emission reduction required  
11 pursuant to this part.

12 (d) The director shall periodically review and update  
13 state emission reporting requirements and endeavor to make the  
14 requirements consistent with the requirements of international,  
15 federal, and other states' greenhouse gas emission reporting  
16 programs, as necessary.

17 (e) [~~After January 1, 2012, the~~ The director may revise  
18 rules adopted pursuant to this section and adopt additional  
19 rules to further this part."

20 SECTION 3. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

22 SECTION 4. This Act shall take effect on July 1, 2011.

H . B . NO . 1068

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INTRODUCED BY:

*Calvin K. Jay*

By Request

JAN 24 2011

**Report Title:**

Green House Gas; Emissions

**Description:**

Remove the requirement that the Department of Health adopt rules by the end of 2011 to implement a Greenhouse Gas reduction plan. The requirement and deadline are no longer relevant and the amendments will allow the department to adopt applicable rules at the proper time.

JUSTIFICATION SHEET

DEPARTMENT: HEALTH

TITLE: A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSION RULES.

PURPOSE: To remove the current requirement that the Department of Health (DOH) adopt rules to establish greenhouse gas (GHG) reduction measures by December 31, 2011.

MEANS: Amend section 342B-72, Hawaii Revised Statutes.

JUSTIFICATION: Act 234, Session Laws of Hawaii 2007 created the requirement and deadline for the rule adoption based on the presumption that the Greenhouse Gas Emissions Reduction Task Force would generate a plan that would require DOH to develop and implement a regulatory program to reach its GHG reduction goals. Instead, the Task Force agreed on a plan to reduce GHG emission by aggressively pursuing energy reduction strategies set forth in the Department of Business, Economic Development, and Tourism's Hawaii Clean Energy Initiative (HCEI). Since that strategy not only reduces Hawaii's dependence on foreign oil, but also has the additional benefit of achieving the future GHG target levels, the rules, which would have placed an additional burden on Hawaii businesses and residents, are unnecessary at this time.

Impact on the public: As a result of the Task Force's decision to pursue the HCEI strategy, the adoption of DOH rules is unnecessary at this time. The Task Force did not propose a regulatory scheme to reduce GHG emissions that consequently would have required the adoption of corresponding rules, as was envisioned in the Act.

Pursuing the energy reduction strategy of the HCEI eliminated the need for regulatory requirements and the accompanying compliance costs that would be endured by businesses and passed on to consumers.

Impact on the department and other agencies:  
The DOH would avoid dedicating resources to adopt rules that are unnecessary or premature.

GENERAL FUND:

OTHER FUNDS:

PPBS PROGRAM  
DESIGNATION:

OTHER AFFECTED  
AGENCIES:

EFFECTIVE DATE: July 1, 2011