

JAN 17 2013

A BILL FOR AN ACT

RELATING TO ENERGY.

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

1 SECTION 1. The legislature finds that the intent of the
2 ten per cent ethanol requirement under section 486J-10, Hawaii
3 Revised Statutes, was to provide energy independence from
4 foreign oil, reduce statewide gasoline consumption, and
5 establish industrial plants to produce ethanol locally.

6 The State of Hawaii imports all of its ethanol, along with
7 crude oil, from overseas. Act 257, Session Laws of Hawaii 1997,
8 requires that gasoline sold in the State contain ten per cent
9 ethanol. Despite several planned ethanol plants and an
10 abundance of vacant sugar cane land, no plants have been built.
11 The legislature finds that the intent of Act 257 remains
12 unfulfilled.

13 The purpose of this Act is to broaden the existing law
14 requiring ten per cent ethanol fuel content in gasoline to a
15 requirement that biofuels account for ten per cent of all liquid
16 transportation fuel sales.

17 SECTION 2. Section 486J-10, Hawaii Revised Statutes, is
18 amended to read as follows:



1 "~~§486J-10~~ ~~[Ethanol]~~ Biofuel content requirement. (a) The
2 director shall adopt rules in accordance with chapter 91 to
3 require that ~~[gasoline sold in the State for use in motor~~
4 ~~vehicles contain ten per cent ethanol by volume. The amounts of~~
5 ~~gasoline sold in the State containing ten per cent ethanol shall~~
6 ~~be in accordance with rules as the director may deem~~
7 ~~appropriate. The director may authorize the sale of gasoline~~
8 ~~that does not meet these requirements as provided in subsection~~
9 ~~(d).]~~ each distributor who sells liquid fuels in the State for
10 use in motor vehicles shall ensure that biofuels account for at
11 least ten per cent of its sales of liquid fuels for motor
12 vehicles in terms of energy content expressed as British thermal
13 units.

14 ~~[(b) Gasoline blended with an ethanol based product, such~~
15 ~~as ethyl tertiary butyl ether, shall be considered to be in~~
16 ~~conformance with this section if the quantity of ethanol used in~~
17 ~~the manufacture of the ethanol based product represents ten per~~
18 ~~cent, by volume, of the finished motor fuel.~~

19 ~~(c) Ethanol used in the manufacture of ethanol based~~
20 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~
21 ~~considered to contribute to the distributor's conformance with~~
22 ~~this section; provided that the total quantity of ethanol used~~



1 ~~by the distributor is an amount equal to or greater than the~~
2 ~~amount of ethanol required under this section.]~~

3 (b) As used in this section:

4 "Biofuel" means fuel grade liquid fuels made from renewable
5 feedstocks and that meet the relevant ASTM International
6 specifications for the particular fuel or other industry
7 specifications for liquid and gaseous fuels, including but not
8 limited to:

9 (1) Methanol, ethanol, or other alcohols;

10 (2) Hydrogen;

11 (3) Biodiesel or renewable diesel;

12 (4) Other biofuels; or

13 (5) Renewable gasoline.

14 "Renewable feedstocks" means biomass crops; agricultural
15 residues; oil crops, including but not limited to algae, canola,
16 jatropha, soybean, and sunflower; other agricultural crops;
17 grease and waste cooking oil; food wastes; municipal solid
18 wastes and industrial wastes; and animal residues and wastes
19 that can be used to generate energy.

20 ~~[(d)]~~ (c) The director may authorize the sale of gasoline
21 that does not meet the provisions of this section:



1 (1) To the extent that sufficient quantities of
2 competitively-priced [~~ethanol~~] biofuel are not
3 available to meet the minimum requirements of this
4 section; or

5 (2) In the event of any other circumstances for which the
6 director determines compliance with this section would
7 cause undue hardship.

8 [~~e~~] (d) Each distributor, at reporting dates as the
9 director may establish, shall file with the director, on forms
10 prescribed, prepared, and furnished by the director, a certified
11 statement showing:

12 (1) The type, price, and [~~amount of ethanol~~] quantity in
13 gallons and in British thermal units of biofuels
14 available;

15 (2) The type and quantity in gallons and in British
16 thermal units of biofuels acquired or purchased from
17 within the State and the type and quantity in gallons
18 and in British thermal units of biofuels acquired or
19 purchased from outside of the State, as well as the
20 specific and detailed justification for acquiring or
21 purchasing biofuel from outside of the State;



1 ~~[(2)]~~ (3) The ~~[amount of ethanol blended fuel]~~ type and
2 quantity in gallons and in British thermal units of
3 biofuels sold by the distributor;

4 ~~[(3)]~~ (4) The ~~[amount of ethanol blended gasoline]~~ type and
5 quantity in gallons and in British thermal units of
6 non-biofuel liquid fuels sold by the distributor; and

7 ~~[(4)]~~ (5) Any other information the director shall require
8 for the purposes of compliance with this section.

9 ~~[(f)]~~ (e) Provisions with respect to confidentiality of
10 information shall be the same as provided in section 486J-6.

11 ~~[(g)]~~ (f) Any distributor or any other person violating
12 the requirements of this section shall be subject to a fine of
13 not less than \$2 per gallon of nonconforming fuel, up to a
14 maximum of \$10,000 per infraction.

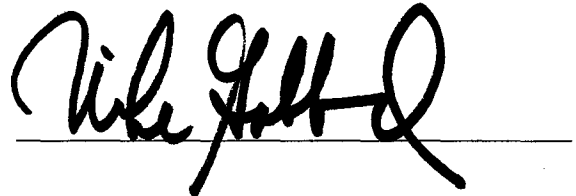
15 ~~[(h)]~~ (g) The director, in accordance with chapter 91,
16 shall adopt rules for the administration and enforcement of this
17 section."

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 on July 1, 2013.

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INTRODUCED BY: _____



S.B. NO. 15

Report Title:

Biofuel; Ethanol; Gasoline

Description:

Broadens existing gasoline requirement of ten per cent ethanol fuel content to ten per cent biofuel content. Expands the reporting requirements for biofuel distributors.

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