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# 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 change the existing law  
14 requiring ten per cent ethanol fuel content in gasoline to a  
15 requirement that each distributor who sells liquid fuels in the  
16 State for use in motor vehicles shall ensure that locally-  
17 produced biofuels account for at least five per cent of the  
18 distributor's annual sales of liquid fuels for motor vehicles by



1 volume; provided that for diesel fuel, no more than five per  
2 cent of locally-produced biofuel shall be required. The  
3 legislature finds that the different requirements for diesel  
4 fuel in this Act are necessary because gasoline with ethanol is  
5 not an equal substitute for biodiesel. The legislature notes  
6 that ethanol-blended gasoline is for use in gasoline engines,  
7 and biodiesel is for use in diesel engines.

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

10 "§486J-10 ~~[Ethanol]~~ Biofuel content requirement. (a) The  
11 director shall adopt rules in accordance with chapter 91 to  
12 require that ~~[gasoline sold in the State for use in motor~~  
13 ~~vehicles contain ten per cent ethanol by volume. The amounts of~~  
14 ~~gasoline sold in the State containing ten per cent ethanol shall~~  
15 ~~be in accordance with rules as the director may deem~~  
16 ~~appropriate. The director may authorize the sale of gasoline~~  
17 ~~that does not meet these requirements as provided in subsection~~  
18 ~~(d).]~~ each distributor who sells liquid fuels in the State for  
19 use in motor vehicles shall ensure that locally-produced  
20 biofuels account for at least five per cent of the distributor's  
21 annual sales of liquid fuels for motor vehicles by volume;



1 provided that for diesel fuel, no more than five per cent of  
2 locally-produced biofuel shall be required.

3 ~~[(b) Gasoline blended with an ethanol-based product, such~~  
4 ~~as ethyl tertiary butyl ether, shall be considered to be in~~  
5 ~~conformance with this section if the quantity of ethanol used in~~  
6 ~~the manufacture of the ethanol based product represents ten per~~  
7 ~~cent, by volume, of the finished motor fuel.~~

8 ~~(c) Ethanol used in the manufacture of ethanol based~~  
9 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~  
10 ~~considered to contribute to the distributor's conformance with~~  
11 ~~this section; provided that the total quantity of ethanol used~~  
12 ~~by the distributor is an amount equal to or greater than the~~  
13 ~~amount of ethanol required under this section.~~

14 ~~(d)]~~ (b) The director may authorize the sale of [gasoline]  
15 fuel that does not meet the provisions of this section:

16 (1) To the extent that sufficient quantities of  
17 competitively-priced [ethanol] biofuel are not  
18 available to meet the minimum requirements of this  
19 section; or

20 (2) In the event of any other circumstances for which the  
21 director determines compliance with this section would  
22 cause undue hardship.



1       ~~[(e)]~~ (c) Each distributor, at reporting dates as the  
2 director may establish, shall file with the director, on forms  
3 prescribed, prepared, and furnished by the director, a certified  
4 statement ~~[showing:~~

5       ~~(1) The price and amount of ethanol available;~~

6       ~~(2) The amount of ethanol blended fuel sold by the~~  
7       ~~distributor;~~

8       ~~(3) The amount of non-ethanol blended gasoline sold by the~~  
9       ~~distributor; and~~

10       ~~(4) Any]~~ providing fuel types and quantities sold by the  
11       distributor and any other information the director  
12       ~~[shall]~~ may require for the purposes of compliance  
13       with this section.

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

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

20       ~~[(h)]~~ (f) The director, in accordance with chapter 91,  
21 shall adopt rules for the administration and enforcement of this  
22 section.



1        (g) As used in this section, "biofuel" means liquid or  
2 gaseous fuels produced from organic sources, such as biomass  
3 crops; agricultural residues; oil crops, including but not  
4 limited to algae, canola, jatropha, palm, soybean, and  
5 sunflower; other agricultural crops; grease and waste cooking  
6 oil; food wastes; municipal solid wastes and industrial wastes;  
7 and produced animal residues and wastes; provided that the fuels  
8 shall meet the relevant ASTM International specifications of  
9 latest issue."

10        SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12        SECTION 4. This Act shall take effect on July 1, 2050.

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**Report Title:**

Biofuel; Ethanol; Motor Vehicles; Diesel Fuel

**Description:**

Changes existing gasoline requirement of ten per cent ethanol fuel content to a requirement that each distributor who sells liquid fuels in the State for use in motor vehicles shall ensure that locally-produced biofuels account for at least five per cent of the distributor's annual sales of liquid fuels for motor vehicles by volume; provided that for diesel fuel, no more than five per cent of locally-produced biofuel shall be required. Effective 07/01/2050. (SD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

