

STAND. COM. REP. NO.

1552

Honolulu, Hawaii

April 15, 2013

RE: S.B. No. 15
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 15, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to promote energy independence, reduce statewide gasoline consumption, and promote the use of renewable energy by:

- (1) Establishing a task force to examine the consequences of changing the existing law requiring ten percent ethanol fuel content in gasoline to a requirement that each distributor who sells liquid fuel in the State for use in motor vehicles shall ensure that locally-produced biofuels account for at least five percent by volume of the distributor's annual sales of liquid fuels for motor vehicles;
- (2) Establishing a biofuels production tax credit; and
- (3) Repealing the ethanol facility tax credit.



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The Blue Planet Foundation; General Motors; Pacific Biodiesel Technologies; Big Island Biodiesel; and numerous individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism; Alliance of Automobile Manufacturers; Airlines Committee of Hawaii; and an individual provided comments on this measure.

Your Committee has amended this measure by:

- (1) Specifying that the purpose of the task force is to examine the feasibility of and any proposed legislation for:
 - (A) Requiring locally-produced biofuels to account for at least five percent of the liquid volume of a distributor's annual sales of liquid fuels for motor vehicles; and
 - (B) Requiring the mixture of up to five percent of locally-produced biofuels in diesel fuel;
- (2) Including a representative of the Alliance of Automobile Manufacturers and the Airlines Committee of Hawaii as members of the task force;
- (3) Deleting language to remove the aggregate cap for the biofuels production tax credit;
- (4) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 15, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



