

STAND. COM. REP. NO. 343

Honolulu, Hawaii

FEB 15 2013

RE: S.B. No. 15

S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 15 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the ten percent ethanol gasoline content requirement and require instead that biofuels account for ten percent of all liquid fuels for motor vehicles sold by a distributor.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Renewable Energy Alliance; Pacific Biodiesel; Big Island Biodiesel; Marine Source, LLC; and one individual. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from Western States Petroleum Association.

Your Committee finds that the original intent of Act 257, Session Laws of Hawaii 1997, was to require that gasoline sold in the State contained ten percent ethanol to meet the State's goals of energy independence from foreign oil, improvement of Hawaii's natural environment, and establishment of locally produced ethanol. Your Committee finds that despite several planned ethanol plants, no plants have been built, leaving the State to depend on costly imported ethanol to meet the ethanol mandate.



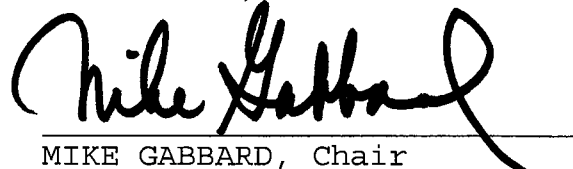
Your Committee further finds that the natural environment of Hawaii offers the opportunity and potential to grow and use high-yield agricultural crops to produce a wide array of biofuels that can be manufactured into a cleaner burning substitute for ethanol in gasoline. Your Committee finds that the production and use of locally produced biofuels will assist the State in meeting its goals of energy independence from foreign oil, environmental improvement, and the establishment of local production facilities.

Your Committee has amended this measure by:

- (1) Changing the requirement that all distributors of liquid fuels in the State ensure that biofuels account for ten percent of their sales to a requirement that liquid fuels sold in the State for motor vehicle use contain at least five percent biofuels by volume, with exceptions as provided by the Director of Business, Economic Development, and Tourism;
- (2) Changing the reporting requirements of fuel distributors;
- (3) Changing the definition of "biofuel"; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

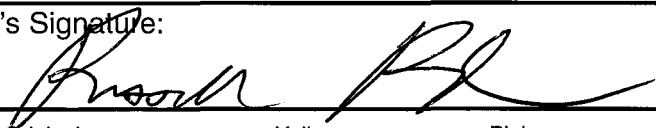
Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,


MIKE GABBARD, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 15	Committee Referral: ENE, CPN	Date: 2/5/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
CHUN OAKLAND, Suzanne	X			
IHARA, Jr., Les	X			
SLOM, Sam				X
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes