
A BILL FOR AN ACT

RELATING TO RENEWABLE FUELS.

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, is to provide energy independence from foreign
4 oil, reduce statewide gasoline consumption, and establish
5 industrial plants to produce ethanol locally.

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

11 The legislature finds that the intent of Act 257 remains
12 unfulfilled. The legislature further finds that different
13 requirements for diesel fuel may be necessary, as gasoline with
14 ethanol or other biofuels is not an equal substitute for
15 biodiesel because of mechanical and warranty issues involved
16 with diesel engines.

17 The purpose of this Act is to create a task force within
18 the department of business, economic development, and tourism to



1 perform a feasibility study and propose legislation for
2 increasing locally-produced renewable fuel usage in the State.

3 SECTION 2. (a) There shall be established within the
4 department of business, economic development, and tourism a task
5 force on renewable fuels. The task force shall examine:

6 (1) Potential changes to the existing law requiring ten
7 per cent ethanol fuel content in gasoline to a
8 requirement that each distributor who sells liquid
9 fuels in the State for use in motor vehicles shall
10 ensure that locally produced renewable fuels account
11 for at least ten per cent of the distributor's annual
12 sales of fuels for motor vehicles;

13 (2) Requiring the mixture of up to five per cent of
14 locally produced biofuels in diesel fuel; and

15 (3) Locally produced renewable fuels that are liquid or
16 gaseous fuels that meet the relevant ASTM
17 International specifications of the latest issue
18 produced from renewable feedstock, including but not
19 limited to biomass crops; agricultural residues; oil
20 crops, including algae, canola, jatropha, palm,
21 soybean, and sunflower; other agricultural crops;
22 grease and waste cooking oil; food wastes; municipal



1 solid wastes and industrial wastes; water; and animal
2 residues and wastes.

3 (b) The task force shall be composed of:

4 (1) A member to be selected by the senate president;

5 (2) A member to be selected by the speaker of the house of
6 representatives;

7 (3) A member to be selected by the director of business,
8 economic development, and tourism;

9 (4) Representatives from the following organizations who
10 shall be requested to serve on the task force:

11 (A) The Western States Petroleum Association;

12 (B) The Hawaii Automobile Dealers Association;

13 (C) The Alliance of Automobile Manufacturers; and

14 (D) The Airlines Committee of Hawaii; and

15 (5) Up to four representatives of renewable fuels

16 producers in Hawaii who shall be requested by the

17 director of business, economic development, and

18 tourism to serve on the task force; provided that no

19 more than two of the representatives shall represent

20 biofuel producers; and provided further that the

21 renewable fuels producers shall currently be operating



1 in Hawaii or projected to be operating in Hawaii by
2 December 31, 2015.

3 (c) The members of the task force shall serve without
4 compensation, but shall be reimbursed for expenses necessary in
5 the performance of their duties.

6 (d) The members of the task force shall select a
7 chairperson from among themselves.

8 (e) The task force shall submit to the legislature a
9 preliminary report of its activities, findings, and any
10 recommendations for proposed legislation no later than twenty
11 days prior to the convening of the regular session of 2015 and a
12 final report of its activities, findings, and recommendations
13 for proposed legislation no later than twenty days prior to the
14 convening of the regular session of 2016.

15 (f) The task force shall cease to exist on August 1, 2016.

16 SECTION 3. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so much
18 thereof as may be necessary for fiscal year 2014-2015 to support
19 the work of the task force on renewable fuels, including
20 consulting and research costs.

1 The sum appropriated shall be expended by the department of
2 business, economic development, and tourism for the purposes of
3 this Act.

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



Report Title:

DBEDT; Renewable Fuels Task Force; Biofuel

Description:

Establishes the Renewable Fuels Task Force. Requires the Renewable Fuels Task Force to perform a feasibility study and report its findings on locally produced renewable fuels. Appropriates funds. Effective July 1, 2050. (SB2198 HD1)

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