

STAND. COM. REP. NO.

2330

Honolulu, Hawaii

FEB 14 2018

RE: S.B. No. 2019
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Transportation and Energy, to which was referred S.B. No. 2019 entitled:

"A BILL FOR AN ACT RELATING TO BIOFUEL,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a biofuel content requirement of no less than ten percent biofuel that is produced in the State by volume.

Your Committee received testimony in support of this measure from the Hawaii Bioeconomy Trade Organization, Pacific Biodiesel, and two individuals. Your Committee received testimony in opposition to this measure from Hawaii Petroleum. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; and Hawaii Energy Policy Forum.

Your Committee finds that biofuels are beneficial to the State, allowing the State to be more energy independent and helping the State achieve the Hawaii Clean Energy Initiative's goal of one hundred percent clean energy by 2045.

However, your Committee finds that the requirement of locally produced biofuel could run afoul of the federal Interstate Commerce Clause and that there might be disagreement over the definition of "competitively-priced". Your Committee also notes concerns about the implementation of a biofuel mandate.

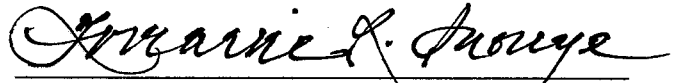


Accordingly, your Committee has amended this measure by:

- (1) Removing the requirement that the biofuel be produced in Hawaii from agricultural products grown in Hawaii;
- (2) Removing the requirement that there not be sufficient quantities of competitively-priced biofuels before the Director of Business, Economic Development, and Tourism can authorize the sale of fuel that does not meet this measure's requirements;
- (3) Removing the requirement that rules be adopted and take effect no later than ninety days after an unspecified amount of biofuel is produced in Hawaii;
- (4) Removing the requirement that distributors report on the price of biofuels; and
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2019, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2019, S.D. 1, and be referred to your Committee on Ways and Means.

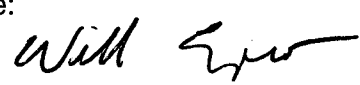
Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Energy,


LORRAINE R. INOUE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:* HB 2019 ^{WR} SB 2019	Committee Referral: TRE, WAM	Date: 2/9/2018		
<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
INOUE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
SHIMABUKURO, Maile S.L.	X			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes