

STAND. COM. REP. NO. 1079 -24

Honolulu, Hawaii

MAR 14 , 2024

RE: S.B. No. 2768
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2768, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS,"

begs leave to report as follows:

The purpose of this measure is to require the Hawaii State Energy Office to adopt rules governing a clean fuel standard for diesel and gasoline in the State.

Your Committee received testimony in support of this measure from the Hawai'i Climate Change Mitigation and Adaption Commission; Neste; Twelve Benefit Corporation; Clean Energy; Alliance for Automotive Innovation; Pacific Biodiesel; Biotechnology Innovation Organization; Island Energy Services, LLC; and Amazon. Your Committee received testimony in opposition to this measure from Life of the Land. Your Committee received comments on this measure from the Hawaii State Energy Office; Par Hawaii; 350Hawaii.org; Hawaiian Electric; and one individual.

Your Committee finds that establishing a clean fuel standard for alternative fuels will help reduce greenhouse gas emissions and stimulate economic development. This measure addresses this need by requiring the Hawaii State Energy Office to adopt rules governing a clean fuel standard for alternative fuels.

2024-2270 SB2768 HD1 HSCR HMSO



Your Committee has amended this measure to match the contents of H.B. No. 2297, H.D. 1, thereby:

- (1) Specifying that the clean fuel standard will apply to alternative fuels;
- (2) Changing the average carbon intensity reduction requirements from an unspecified amount to at least ten percent below 2019 levels by 2035 and at least fifty percent below 2019 levels by 2045;
- (3) Extending the implementation deadline for the clean fuel standard for alternative fuels to January 1, 2026;
- (4) Deleting the requirement that the rules include standards for measuring lifecycle greenhouse gas sequestrations attributable to the production and use of various fuels;
- (5) Clarifying that the Hawaii State Energy Office has the discretion, but is not required, to adopt rules for mechanisms that allow for the trading and banking of credits and exemptions for diesel, gasoline, and alternative fuels that are used in volumes below thresholds established by the Hawaii State Energy Office;
- (6) Clarifying the rule regarding mechanisms for generating credits for fuels used in transportation;
- (7) Adding military as an exempt end-use that may opt in to the program to generate credits when using alternative fuel;
- (8) Amending the definition of "alternative fuel";
- (9) Changing the effective date to July 1, 3000; and
- (10) 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 Energy & Environmental Protection that is attached to



this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2768, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



