

ACT 180

H.B. NO. 683

A Bill for an Act Relating to Sustainable Aviation Fuel.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that at the inaugural Hawaii Aviation and Climate Action Summit on December 3, 2019, participants found that:

- (1) Tourism is the number one driver of Hawaii's economy;
- (2) Over ninety-five per cent of visitor arrivals are by plane;
- (3) Nearly one-third of the energy consumed in the State is for jet fuel, which is a higher proportion of petroleum consumption than any other individual state;
- (4) Over one-third of Hawaii flights are to and from international destinations;
- (5) In 2021, numerous international flights will become subject to the offsetting requirements established by the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation, with virtually all international flights becoming subject to the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation offsetting in 2027;
- (6) Commercial airlines have committed to reducing their greenhouse gas emissions by fifty per cent below 2005 levels by 2050;
- (7) Mechanisms for airlines to meet the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation requirements include fuel efficiency improvements, switching to sustainable aviation fuel with a greenhouse gas carbon intensity below a petroleum benchmark, and purchasing and retiring carbon offsets; and
- (8) The State can support small and local business innovation and technology development for this important sector by expanding the authority of the Hawaii technology development corporation to match federal and private funding in this area.

The purpose of this Act is to support the greenhouse gas lifecycle reduction of commercial aviation in the State by establishing a sustainable aviation fuel program within the Hawaii technology development corporation.

SECTION 2. Chapter 206M, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**“§206M- Sustainable aviation fuel program; established.** (a) There is established the sustainable aviation fuel program, through which the develop-

ment corporation may provide matching grants to any small business in the State that is developing products related to sustainable aviation fuel or greenhouse gas reduction from commercial aviation operations and requires assistance for any of the following items:

- (1) Business planning;
- (2) Technology development;
- (3) Engineering; or
- (4) Research.

(b) In reviewing grant applications pursuant to this section, the development corporation shall analyze each application to determine whether the item to be undertaken will be economically viable and beneficial to the State.

(c) For the purposes of the program, product development activities eligible for matching funds grants shall reduce commercial aviation greenhouse gas emissions through:

- (1) Sustainable aviation fuel production;
- (2) Airborne operations fuel efficiency;
- (3) Ground support equipment fuel replacement;
- (4) Ground support equipment fuel efficiency; or
- (5) Airport operations support to reduce overall jet fuel consumption.

(d) Hawaii jet fuel baseline carbon intensity shall be set at eighty-nine grams of carbon dioxide equivalent per megajoule, in line with the benchmark established by the International Civil Aviation Organization. This carbon intensity may be revised upon recommendation from the Hawaii state energy office based upon future revisions to the United States Department of Energy's Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation full life-cycle model; provided that carbon intensity shall be measured in the units of grams of carbon dioxide equivalent per megajoule.

(e) For the purposes of this section:

“Grant” means financial assistance provided to Hawaii small business innovation research, small business technology transfer, and other agency and private sector awardees and applicants under the terms and conditions provided in this chapter.

“Hawaii small business innovation research”, “small business technology transfer”, and “sustainable aviation fuel program” means the programs administered by the development corporation to encourage participation by enterprises in federal research and development programs.

“Other agency” means an entity that receives an award or contract granted by the United States Departments of Agriculture, Transportation, Energy, Defense, or Commerce, or other federal agencies for activities consistent with those defined in this section.

“Small business” shall have the same meaning as in section 201M-1.

“Sustainable aviation fuel” means American Society for Testing and Materials D7566-compliant renewable aviation turbine fuel derived from biofuels, as defined in section 269-91, and with a greenhouse gas lifecycle carbon intensity lower than the baseline for jet fuel defined by the International Civil Aviation Organization.”

SECTION 3. New statutory material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect on July 1, 2021.

(Approved July 2, 2021.)

**Note**

1. Edited pursuant to HRS §23G-16.5.