
A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In 1997, the legislature enacted Act 257,
2 Session Laws of Hawaii 1997, that in part, directed the
3 department of business, economic development, and tourism to
4 adopt rules to require that gasoline sold in the State for use
5 in motor vehicles contain ten per cent ethanol by volume. On
6 April 2, 2006, that requirement was implemented requiring that
7 at least eighty-five per cent of all gasoline sold in the State
8 contain at least ten per cent ethanol by volume.

9 In spite of the almost nine year lead time and a tax credit
10 of up to one hundred per cent of the investment in a qualified
11 ethanol production facility that was enacted during the Regular
12 Session of 2000, there are no local ethanol production
13 facilities in the State. All of the thirty-eight million
14 gallons of ethanol a year required to meet the ethanol blending
15 requirement is being imported. To date, there have been
16 proposals for the development of six ethanol production
17 facilities on the islands of Oahu, Maui, and Kauai; however, it
18 is uncertain when the first facility will become operational.



1 Even when fully operational, some of these production facilities
2 intend to produce ethanol from molasses, sorghum, or other feed
3 stock grown out of the State. One of the benefits that was
4 being hailed with the ethanol content requirement was that it
5 would be a benefit to the State's agricultural industry.

6 The purpose of this Act is to require that a portion of all
7 the ethanol produced in the State be produced from locally grown
8 feed stock.

9 SECTION 2. Chapter 486J, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§486J- Ethanol production. Any ethanol production
13 facility in the State shall by:

14 (1) January 1, 2010, produce at least per cent of all
15 the ethanol it produces using feed stock grown in the
16 State;

17 (2) January 1, 2012, produce at least per cent of all
18 the ethanol it produces using feed stock grown in the
19 State; and

20 (3) January 1, 2014, produce at least per cent of all
21 the ethanol it produces using feed stock produced in
22 the State.



Report Title:

Ethanol Production

Description:

Requires certain per cent of ethanol produced in State to be produced using locally grown feed stock.

