



**GOV. MSG. NO. 1303**

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

July 8, 2011

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

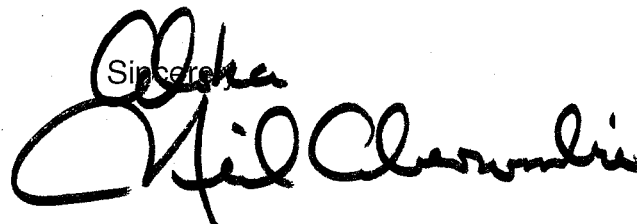
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on July 8, 2011, the following bill was signed into law:

SB1244 SD2 HD1 CD1

RELATING TO BIOFUELS  
Act 199 (11)

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor

JUL 8 2011

on

THE SENATE  
TWENTY-SIXTH LEGISLATURE, 2011  
STATE OF HAWAII

ACT 199

S.B. NO. 1244  
S.D. 2  
H.D. 1  
C.D. 1

# A BILL FOR AN ACT

RELATING TO BIOFUELS.

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

1           SECTION 1. The legislature finds that the renewable energy  
2 facility siting process serves to encourage expeditious  
3 permitting and development of renewable energy facilities in  
4 Hawaii. The renewable energy facility siting process  
5 accomplishes this by coordinating relevant state and county  
6 permitting agencies and collecting fees from permit applicants  
7 to reimburse state and county agencies for costs related to  
8 processing the necessary project permits within twelve months  
9 following final acceptance of the document required under  
10 chapter 343, Hawaii Revised Statutes. To date, only one project  
11 has used the renewable energy facility siting process. However  
12 at least four other projects statewide have applied for, or  
13 intend to apply for, participation in the renewable energy  
14 facility siting process. Many other developers and government  
15 agencies have expressed interest in the renewable energy  
16 facility siting process.

17           To help meet the State's clean energy goals, the State's  
18 utilities need adequate infrastructure, including interisland



1 transport facilities, to transport, distribute, and store large  
2 amounts of biofuels in Hawaii. Facilitating the permitting of  
3 the infrastructure will enable the State's utilities to  
4 immediately increase their biofuel demand, which in turn should  
5 encourage more supply from local biofuel producers.

6       Currently, only biofuel producers with the capacity to  
7 produce one million gallons or more of biofuel annually are  
8 eligible for the renewable energy facility siting process.  
9 However, consistent with the emerging nature of biofuel  
10 technologies, most biofuel projects currently under development  
11 in the State are small-scale, pilot projects, some with the  
12 capacity to produce only one hundred thousand gallons or more  
13 annually. The success of these pilot facilities is critical to  
14 Hawaii's clean energy independence as they are a precursor to  
15 the demonstration and commercial-scale phases of development.

16       The inclusion of biofuel production facilities and biofuel  
17 distribution infrastructure with the capacity to produce or  
18 distribute one hundred thousand gallons or more of biofuel  
19 annually will further the State's interest in reducing over-  
20 dependence on imported fossil fuels and meeting energy self-  
21 sufficiency goals and mandates. It will also encourage the  
22 timely development of renewable energy projects that use



1 Hawaii's indigenous renewable energy resources for the health,  
2 safety, and welfare of Hawaii's residents.

3 The purpose of this Act is to expand the applicability of  
4 the renewable energy facility siting process to include biofuel  
5 production facilities and distribution infrastructure with the  
6 capacity to produce or distribute one hundred thousand gallons  
7 or more of biofuel annually.

8 SECTION 2. Section 201N-1, Hawaii Revised Statutes, is  
9 amended by amending the definition of "renewable energy  
10 facility" or "facility" to read as follows:

11 "Renewable energy facility" or "facility" means a new  
12 facility located in the State with the capacity to produce from  
13 renewable energy at least two hundred megawatts of electricity;  
14 provided that an electricity production facility with a  
15 capability between five megawatts and one hundred ninety-nine  
16 megawatts of electricity and a biofuel production facility or  
17 distribution infrastructure with a capacity to produce or  
18 distribute one [~~million~~] hundred thousand gallons or more  
19 annually may apply to the coordinator for designation as a  
20 renewable energy facility. The term includes any of the  
21 following associated with the initial permitting and  
22 construction of the facility:

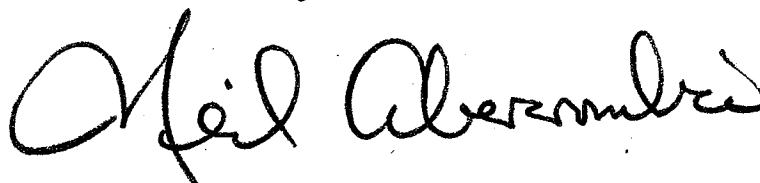


- 1 (1) The land parcel on which the facility is situated;
- 2 (2) Any renewable energy production structure or
- 3 equipment;
- 4 (3) Any energy transmission line from the facility to a
- 5 public utility's electricity transmission or
- 6 distribution system;
- 7 (4) Any on-site infrastructure; and
- 8 (5) Any on-site building, structure, other improvement, or
- 9 equipment necessary for the production of electricity
- 10 or biofuel from the renewable energy site,
- 11 transmission of the electricity or biofuel, or any
- 12 accommodation for employees of the facility."

13 SECTION 3. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect upon its approval.

APPROVED this 8 day of JUL, 2011



GOVERNOR OF THE STATE OF HAWAII