<u>S</u>.B. NO. **/ 795**

JAN 2 6 2011

A BILL FOR AN ACT

RELATING TO GREENHOUSE GAS EMISSION RULES.

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

SECTION 1. Act 234, Session Laws of Hawaii 2007, in part 1 2 required that the Director of Health adopt rules, by December 31, 2011, to achieve reductions of greenhouse gas 3 emissions "based upon the recommendations and findings of the 4 work plan created" by the Greenhouse Gas Emission Reduction Task 5 Force that the Act also created. The task force's final report 6 7 and work plan to the 2010 legislature did not specify a regulatory air pollution control scheme for the Department of 8 Health to adopt and specifically recognized the need to 9 coordinate state efforts with ongoing U.S. Environmental 10 Protection Agency (EPA) developments. The EPA continues to 11 12 adopt new regulations regarding greenhouse gases, both as to reporting and emission controls. 13

14 The department needs flexibility to adopt greenhouse gas 15 rules after national requirements become clearer and a 16 regulatory scheme has been developed by the State. This bill 17 will change the mandate of the Act by removing the deadline for 18 specific rules but providing the Department of Health with the

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flexibility in its efforts to regulate the greenhouse gas 1 emissions and to incorporate a reporting requirement. 2 3 SECTION 2. Section 342B-72, Hawaii Revised Statutes, is 4 amended to read as follows: "§342B-72 Greenhouse gas emissions limits; rules. 5 [Before December 31, 2011, the] The director [shall] 6 (a) 7 may adopt rules pursuant to chapter 91: (1)Establishing greenhouse gas emission limits applicable 8 to sources or categories of sources [, to be achieved 9 by-January 1, -2020,] and establishing emission 10 reduction measures to achieve the maximum practically 11 12 and technically feasible and cost-effective reductions in greenhouse gas emissions in furtherance of 13 achieving the statewide greenhouse gas emissions 14 limit; and 15 Requiring the reporting and verification of statewide 16 (2) greenhouse gas emissions and to monitor and enforce 17 18 compliance with this part [, to become operative 19 beginning on January 1, 2012]. (b) The director, to the extent feasible to achieve the 20 statewide greenhouse gas emissions limit, [shall] may adopt 21 rules pursuant to chapter 91 and this section based upon the 22

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recommendations and findings of the work plan created pursuant 1 to section 6 of Act 234, Session Laws of Hawaii 2007. 2 (c) Any rule adopted by the director pursuant to this 3 section shall ensure all of the following: 4 (1) The greenhouse gas emission reductions achieved are 5 real, permanent, quantifiable, verifiable, and 6 enforceable by the director; and 7 If applicable, the greenhouse gas emission reduction (2)8 occurs over the same time period and is equivalent in 9 amount to any direct emission reduction required 10 pursuant to this part. 11 The director shall periodically review and update (d) 12 state emission reporting requirements and endeavor to make the 13 requirements consistent with the requirements of international, 14 federal, and other states' greenhouse gas emission reporting 15 programs, as necessary. 16 (e) [After January 1, 2012, the] The director may revise 17 rules adopted pursuant to this section and adopt additional 18 rules to further this part." 19 SECTION 3. Statutory material to be repealed is bracketed 20 and stricken. New statutory material is underscored. 21 SECTION 4. This Act shall take effect on July 1, 2011. 22

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23.TZ. INTRODUCED BY:_

By Request

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Report Title: Green House Gas; Emissions

Description:

Remove the requirement that the Department of Health adopt rules by the end of 2011 to implement a Greenhouse Gas reduction plan. The requirement and deadline are no longer relevant and the amendments will allow the department to adopt applicable rules at the proper time. Page 2

Pursuing the energy reduction strategy of the HCEI eliminated the need for regulatory requirements and the accompanying compliance costs that would be endured by businesses and passed on to consumers.

Impact on the department and other agencies: The DOH would avoid dedicating resources to adopt rules that are unnecessary or premature.

GENERAL FUND:

OTHER FUNDS:

PPBS PROGRAM DESIGNATION:

OTHER AFFECTED AGENCIES:

EFFECTIVE DATE:

July 1, 2011

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