

JAN 16 2014

S.B. NO. 2198

A BILL FOR AN ACT

RELATING TO RENEWABLE FUELS.

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

1 SECTION 1. The legislature finds that the intent of the
2 ten per cent ethanol requirement under section 486J-10, Hawaii
3 Revised Statutes, is to provide energy independence from foreign
4 oil, reduce statewide gasoline consumption, and establish
5 industrial plants to produce ethanol locally.

6 Hawaii imports all of its ethanol, along with crude oil,
7 from overseas. Act 257, Session Laws of Hawaii 1997, requires
8 that gasoline sold in the State contain ten per cent ethanol.
9 Despite several planned ethanol plants and an abundance of
10 vacant sugar cane land, no plants have been built.

11 The legislature finds that the intent of Act 257 remains
12 unfulfilled. The legislature further finds that different
13 requirements for diesel fuel may be necessary, as gasoline with
14 ethanol or other biofuels is not an equal substitute for
15 biodiesel because of mechanical and warranty issues involved
16 with diesel engines.



1 The purpose of this Act is to create a task force within
2 the department of business, economic development, and tourism to
3 perform a feasibility study and propose legislation for:

- 4 (1) Requiring locally produced renewable fuels to account
5 for at least ten per cent of a distributor's annual
6 sales of fuels for motor vehicles; and
7 (2) Requiring the mixture of up to five per cent of
8 locally produced biofuels in diesel fuels.

9 SECTION 2. (a) There shall be established within the
10 department of business, economic development, and tourism a task
11 force on renewable fuels. The task force shall examine:

- 12 (1) Potential changes to the existing law requiring ten
13 per cent ethanol fuel content in gasoline to a
14 requirement that each distributor who sells liquid
15 fuels in the State for use in motor vehicles shall
16 ensure that locally produced renewable fuels account
17 for at least ten per cent of the distributor's annual
18 sales of fuels for motor vehicles;
19 (2) Requiring the mixture of up to five per cent of
20 locally produced biofuels in diesel fuel;
21 (3) Locally produced renewable fuels that are liquid or
22 gaseous fuels that meet the relevant ASTM



1 International specifications of the latest issue
2 produced from renewable feedstock, including but not
3 limited to biomass crops; agricultural residues; oil
4 crops, including algae, canola, jatropha, palm,
5 soybean, and sunflower; other agricultural crops;
6 grease and waste cooking oil; food wastes; municipal
7 solid wastes and industrial wastes; water; and animal
8 residues and wastes.

9 (b) The task force shall be composed of:

10 (1) A member to be selected by the senate president;

11 (2) A member to be selected by the speaker of the house of
12 representatives;

13 (3) A member to be selected by the director of business,
14 economic development, and tourism;

15 (4) A representative from the Western States Petroleum
16 Association;

17 (5) A representative from the Hawaii Automobile Dealers
18 Association;

19 (6) A representative from the Alliance of Automobile
20 Manufacturers;

21 (7) A representative from the Airlines Committee of
22 Hawaii; and



1 (8) Up to four representatives of renewable fuels
2 producers in Hawaii to be selected by the director of
3 business, economic development, and tourism; provided
4 that no more than two of the representatives shall
5 represent biofuel producers; and further provided that
6 the renewable fuels producers shall currently be
7 operating in Hawaii or projected to be operating in
8 Hawaii by December 31, 2015.

9 (c) The members of the task force shall serve without
10 compensation, but shall be reimbursed for expenses necessary in
11 the performance of their duties.

12 (d) The members of the task force shall select a
13 chairperson from among themselves.

14 (e) The task force shall submit to the legislature a
15 preliminary report of its activities, findings, and any
16 recommendations for proposed legislation no later than twenty
17 days prior to the convening of the regular session of 2015 and a
18 final report of its activities, findings, and recommendations
19 for proposed legislation no later than twenty days prior to the
20 convening of the regular session of 2016.

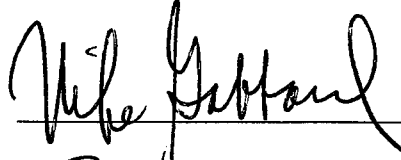
21 (f) The task force shall cease to exist on August 1, 2016.



1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:













S.B. NO. 2198

Report Title:

DBEDT; Renewable Fuels Task Force; Biofuel

Description:

Establishes the renewable fuels task force within the department of business, economic development, and tourism. Requires the renewable fuels task force to perform a feasibility study involving locally produced renewable fuels. Requires the renewable fuels task force to report its findings and recommendations to the legislature.

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