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# A BILL FOR AN ACT

RELATING TO SUSTAINABLE AVIATION FUEL.

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

- 1           SECTION 1. The legislature finds that at the inaugural  
2 Hawaii Aviation and Climate Action Summit on December 3, 2019,  
3 participants found that:
- 4           (1) Tourism is the number one driver of Hawaii's economy;  
5           (2) Over ninety-five per cent of visitor arrivals are by  
6           plane;  
7           (3) Nearly one-third of the energy consumed in the State  
8           is for jet fuel, which is a higher proportion of  
9           petroleum consumption than any other individual state;  
10          (4) Over one-third of Hawaii flights are to and from  
11          international destinations;  
12          (5) In 2021, numerous international flights will become  
13          subject to the offsetting requirements established by  
14          the International Civil Aviation Organization's Carbon  
15          Offsetting and Reduction Scheme for International  
16          Aviation, with virtually all international flights  
17          becoming subject to the International Civil Aviation



1            Organization's Carbon Offsetting and Reduction Scheme  
2            for International Aviation offsetting in 2027;  
3            (6) Commercial airlines have committed to reducing their  
4            greenhouse gas emissions by fifty per cent below  
5            2005 levels by 2050;  
6            (7) Mechanisms for airlines to meet the International  
7            Civil Aviation Organization's Carbon Offsetting and  
8            Reduction Scheme for International Aviation  
9            requirements include fuel efficiency improvements,  
10           switching to sustainable aviation fuel with a  
11           greenhouse gas carbon intensity below a petroleum  
12           benchmark, and purchasing and retiring carbon offsets;  
13           and  
14           (8) The State can support small and local business  
15           innovation and technology development for this  
16           important sector by expanding the authority of the  
17           Hawaii technology development corporation to match  
18           federal and private funding in this area.  
19           The purpose of this Act is to support the greenhouse gas  
20           lifecycle reduction of commercial aviation in the State by



1 establishing a sustainable aviation fuel program within the  
2 Hawaii technology development corporation.

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

6 "§206M- Sustainable aviation fuel program; established.

7 (a) There is established the sustainable aviation fuel program,  
8 through which the development corporation may provide matching  
9 grants to any small business in the State that is developing  
10 products related to sustainable aviation fuel or greenhouse gas  
11 reduction from commercial aviation operations and requires  
12 assistance for any of the following items:

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

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



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

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

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



1        (e) For the purposes of this section:

2        "Grant" means financial assistance provided to Hawaii small  
3 business innovation research, small business technology  
4 transfer, and other agency and private sector awardees and  
5 applicants under the terms and conditions provided in this  
6 chapter.

7        "Hawaii small business innovation research", "small  
8 business technology transfer", and "sustainable aviation fuel  
9 program" means the programs administered by the development  
10 corporation to encourage participation by enterprises in federal  
11 research and development programs.

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

17        "Small business" shall have the same meaning as in  
18 section 201M-1.

19        "Sustainable aviation fuel" means American Society for  
20 Testing and Materials D7566-compliant renewable aviation turbine  
21 fuel derived from biofuels, as defined in section 269-91, and



1 with a greenhouse gas lifecycle carbon intensity lower than the  
2 baseline for jet fuel defined by the International Civil  
3 Aviation Organization."

4 SECTION 3. New statutory material is underscored.

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



H.B. NO. 683  
H.D. 2  
S.D. 1  
C.D. 1

**Report Title:**

Hawaii Technology Development Corporation; Sustainable Aviation Fuel Program; Grants; Small Businesses

**Description:**

Establishes the sustainable aviation fuel program to provide matching grants to any small business in Hawaii that is developing products related to sustainable aviation fuel or greenhouse gas reduction from commercial aviation operations.  
(CD1)

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