H.B. NO.

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, a number of 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

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1   Organization's Carbon Offsetting and Reduction Scheme

2   for International Aviation offsetting in 2027;

3   (6)   The International Civil Aviation Organization's Carbon

4   Offsetting and Reduction Scheme for International

5   Aviation requires commercial airlines to reduce

6   greenhouse gas emissions by fifty per cent below 2005

7   levels by 2050;

8   (7)   Mechanisms for airlines to meet the International

9   Civil Aviation Organization's Carbon Offsetting and

10   Reduction Scheme for International Aviation

11   requirements include fuel efficiency improvements,

12   switching to sustainable aviation fuel with a

13   greenhouse gas carbon intensity below a petroleum

14   benchmark, and purchasing and retiring carbon offsets;

15   and

16   (8)   The State can support small and local business

17   innovation and technology development for this

18   important sector by expanding the authority of the

19   Hawaii technology development corporation to match

20   federal and private funding in this area.

1   The purpose of this Act is to support the greenhouse gas

2 lifecycle reduction of commercial aviation in the State by

3 establishing a sustainable aviation fuel program within the

4 Hawaii technology development corporation.

5   SECTION 2. Chapter 206M, Hawaii Revised Statutes, is

6 amended by adding a new section to part I to be appropriately

7 designated and to read as follows:

8   "§206M-   **Sustainable aviation fuel program; established.**

9 (a) There is established the sustainable aviation fuel program,

10 through which the development corporation may provide matching

11 grants to any small business in the State that is developing

12 products related to sustainable aviation fuel or greenhouse gas

13 reduction from commercial aviation operations and requires

14 assistance for any of the following items:

15   (1) Business planning;

16   (2) Technology development;

17   (3) Engineering; or

18   (4) Research.

19   (b) In reviewing grant applications pursuant to this

20 section, the development corporation shall analyze each

1   application to determine whether the item to be undertaken will

2   be economically viable and beneficial to the State.

3   (c) For the purposes of the program, product development

4   activities eligible for matching funds grants shall reduce

5   commercial aviation greenhouse gas emissions through:

6   (1) Sustainable aviation fuel production;

7   (2) Airborne operations fuel efficiency;

8   (3) Ground support equipment fuel replacement;

9   (4) Ground support equipment fuel efficiency; or

10   (5) Airport operations support to reduce overall jet fuel

11   consumption.

12   (d) Hawaii jet fuel baseline carbon intensity shall be set

13   at eighty-nine grams of carbon dioxide equivalent per megajoule,

14   in line with the benchmark established by the International

15   Civil Aviation Organization. This carbon intensity may be

16   revised from time to time upon recommendation from the Hawaii

17   state energy office based upon future revisions to the United

18   States Department of Energy's Greenhouse Gases, Regulated

19   Emissions, and Energy Use in Transportation full life-cycle

20   model; provided that carbon intensity shall be measured in the

21   units of grams of carbon 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 grant

9   program" means the programs administered by the development

10   corporation to encourage participation by Hawaii companies in

11   the federal 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 agency for activity consistent with those defined

16   in this program.

17   "Sustainable aviation fuel" means American Society for

18   Testing and Materials D7566-compliant renewable aviation turbine

19   fuel derived from eligible materials as defined under

20   section 269-91 and with a greenhouse gas lifecycle carbon

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1 intensity lower than the baseline for jet fuel defined by the

2 International Civil Aviation Organization."

3   SECTION 3. New statutory material is underscored.

4   SECTION 4. This Act shall take effect on July 1, 2050.

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Report Title:
Hawaii Technology Development Corporation; Sustainable Aviation
Fuel Program

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.
Effective 7/1/2050. (HD2)