

JAN 22 2021

A BILL FOR AN ACT

RELATING TO REFORESTATION.

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

1 SECTION 1. The legislature finds that the human-induced
2 global climate crisis requires thoughtful but bold responses on
3 many fronts to make Hawaii communities resilient to the impacts
4 of climate change that threaten the very survivability of these
5 fragile islands. Lest Hawaii lose its leadership position in
6 meeting the future of labor, justice, and equity, the
7 legislature embraces aloha aina as a green new deal to
8 decarbonize Hawaii's systems of food, energy, and
9 transportation, and to sequester carbon through systems of
10 agriculture, waste management, and ecosystem restoration. This
11 solid foundation finds synergies with expanded access to health,
12 housing, and education, multiplying good jobs and ensuring
13 justice and equity for Hawaii's citizens. This measure
14 represents a forward step in mitigating and adapting Hawaii to
15 inevitable climate change.

16 The legislature further finds that the climate crisis is an
17 existential threat and that greenhouse gas emissions from the



1 burning of fossil fuels is the key contributor. It poses a
2 serious threat to our economy, public health, and environment.
3 The State has committed to the elimination of fossil fuels from
4 our energy sector and has committed to abiding by the Paris
5 Climate Agreement's goal of limiting global warming to less than
6 1.5 degrees celsius above pre-industrial levels.

7 Trees serve as a natural way of removing carbon from the
8 atmosphere. No other approach is as effective for carbon
9 sequestration. An environmental assessment should be required
10 for the large-scale clear-cutting of trees and other perennial
11 plants to produce electricity.

12 Section 235-110.31, Hawaii Revised Statutes, renewable
13 fuels production tax credit should conform to the federal
14 designation so that forest bioenergy may be considered a
15 renewable energy and greenhouse gas carbon neutral, "provided
16 the use of forest biomass for energy production does not cause
17 conversion of forests to non-forest use."

18 The Environmental Protection Agency's treatment of biogenic
19 carbon dioxide emissions from stationary sources that use forest
20 biomass for energy production, provides that "[t]he
21 Administrator of the Environmental Protection Agency shall,



1 consistent with its missions, establish clear and simple
2 policies for the use of forest biomass as an energy solution,
3 including policies that reflect the carbon-neutrality of forest
4 bioenergy and recognized biomass as a renewable energy source,
5 provided that use of forest biomass for energy production does
6 not cause conversion of forests to non-forest use."

7 The purpose of this Act is to conform the definition of
8 "renewable feedstocks" for purposes of the renewal fuels
9 production tax credit to the Environmental Protection Agency's
10 directive.

11 SECTION 2. Section 235-110.31, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) As used in this section:

14 "Credit period" means a maximum period of five consecutive
15 years, beginning from the first taxable year in which a taxpayer
16 begins renewable fuels production at a level of at least two
17 billion five-hundred million British thermal units of renewable
18 fuels per calendar year.

19 "Net income tax liability" means income tax liability
20 reduced by all other credits allowed under this chapter.

21 "Renewable feedstocks" means:



- 1 (1) Biomass crops and other renewable organic material,
2 including but not limited to logs, wood chips, wood
3 pellets, and wood bark; provided that the use of
4 forest biomass for energy production shall not cause
5 conversion of forest to non-forest use;
6 (2) Agricultural residues;
7 (3) Oil crops, including but not limited to algae, canola,
8 jatropha, palm, soybean, and sunflower;
9 (4) Sugar and starch crops, including but not limited to
10 sugar cane and cassava;
11 (5) Other agricultural crops;
12 (6) Grease and waste cooking oil;
13 (7) Food wastes;
14 (8) Municipal solid wastes and industrial wastes;
15 (9) Water; and
16 (10) Animal residues and wastes,
17 that can be used to generate energy.

18 "Renewable fuels" means fuels produced from renewable
19 feedstocks, provided that the fuel:

- 20 (1) Is sold as a fuel in Hawaii; and



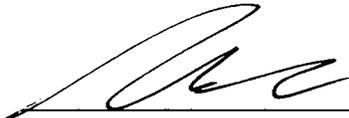
- 1 (2) Meets the relevant ASTM International specifications
2 or other industry specifications for the particular
3 fuel, including but not limited to:
4 (A) Methanol, ethanol, or other alcohols;
5 (B) Hydrogen;
6 (C) Biodiesel or renewable diesel;
7 (D) Biogas;
8 (E) Other biofuels;
9 (F) Renewable jet fuel or renewable gasoline; or
10 (G) Logs, wood chips, wood pellets, or wood bark."

11 SECTION 3. New statutory material is underscored.

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

13

INTRODUCED BY:





S.B. NO. 888

Report Title:

Forest Biomass; Energy Production; Renewable Feedstocks;
Renewable Fuels Production Tax Credit

Description:

Amends and clarifies "renewable feedstocks" for purposes of the renewable fuels production tax credit to conform with federal statutes and the Environmental Protection Agency's directive.

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