STAND. COM. REP. NO. 1079 -24

Honolulu, Hawaii MAR 14 , ²⁰²⁴

RE: S.B. No. 2768 S.D. 1 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2768, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS,"

begs leave to report as follows:

The purpose of this measure is to require the Hawaii State Energy Office to adopt rules governing a clean fuel standard for diesel and gasoline in the State.

Your Committee received testimony in support of this measure from the Hawai'i Climate Change Mitigation and Adaption Commission; Neste; Twelve Benefit Corporation; Clean Energy; Alliance for Automotive Innovation; Pacific Biodiesel; Biotechnology Innovation Organization; Island Energy Services, LLC; and Amazon. Your Committee received testimony in opposition to this measure from Life of the Land. Your Committee received comments on this measure from the Hawaii State Energy Office; Par Hawaii; 350Hawaii.org; Hawaiian Electric; and one individual.

Your Committee finds that establishing a clean fuel standard for alternative fuels will help reduce greenhouse gas emissions and stimulate economic development. This measure addresses this need by requiring the Hawaii State Energy Office to adopt rules governing a clean fuel standard for alternative fuels.



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Your Committee has amended this measure to match the contents of H.B. No. 2297, H.D. 1, thereby:

- Specifying that the clean fuel standard will apply to alternative fuels;
- (2) Changing the average carbon intensity reduction requirements from an unspecified amount to at least ten percent below 2019 levels by 2035 and at least fifty percent below 2019 levels by 2045;
- (3) Extending the implementation deadline for the clean fuel standard for alternative fuels to January 1, 2026;
- (4) Deleting the requirement that the rules include standards for measuring lifecycle greenhouse gas sequestrations attributable to the production and use of various fuels;
- (5) Clarifying that the Hawaii State Energy Office has the discretion, but is not required, to adopt rules for mechanisms that allow for the trading and banking of credits and exemptions for diesel, gasoline, and alternative fuels that are used in volumes below thresholds established by the Hawaii State Energy Office;
- (6) Clarifying the rule regarding mechanisms for generating credits for fuels used in transportation;
- (7) Adding military as an exempt end-use that may opt in to the program to generate credits when using alternative fuel;
- (8) Amending the definition of "alternative fuel";
- (9) Changing the effective date to July 1, 3000; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to



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this report, your Committee is in accord with the intent and purpose of S.B. No. 2768, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2768, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

> Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

re E.

NICOLE E. LOWEN, Chair



State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 1079-24

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:		e Referral:	Date	3/17	124
SB 27168 SD I EEP, CPC, FIN Image: CPC and the second decision on the measure. Image: The committee is reconsidering its previous decision on the measure. Image: CPC and the second decision on the measure. Image: CPC and the second decision on the measure.					
The commendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
EEP Members		Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)					
2. COCHRAN, Elle (VC)		V .			· ·
3. GATES, Cedric Asuega					
4. KAHALOA, Kirstin	reat <u>at 1.1</u>				
5. PERRUSO, Amy A.		V			
6. WOODSON, Justin H.					
7. WARD, Gene					
7. WARD, Gene					
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/	/				
TOTAL (7)					3
The recommendation is: Image: Adopted life point referral, did not support recommendation. Committee acronym(s) If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					