

S.B. NO. 1340

JAN 23 2025

A BILL FOR AN ACT

RELATING TO THE ZERO EMISSIONS CLEAN ECONOMY TARGET.

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

1 SECTION 1. The legislature finds that the climate crisis
2 is the overriding challenge of the twenty-first century,
3 presenting significant threats to the environment, public
4 health, and economic stability of the State of Hawaii.

5 In 2024, the state department of transportation reached an
6 unprecedented settlement of the Navahine v. Department of
7 Transportation constitutional climate lawsuit, which underscores
8 the State's commitment to addressing climate change through
9 responsible governance and innovative solutions. The settlement
10 further underscores the importance of ensuring that future
11 generations and youth will inherit a life-sustaining climate
12 with access to the same diversity and cultural resources enjoyed
13 by previous generations.

14 The legislature recognized in Act 32, Session Laws of
15 Hawaii 2017, that on December 12, 2015, one hundred ninety-five
16 countries at the 21st Conference of the Parties of the United
17 Nations Framework Convention on Climate Change adopted an
18 agreement addressing greenhouse gas emissions mitigation,

S.B. NO. 1340

1 adaptation, and finance starting in the year 2020, known as the
2 Paris Agreement. Act 32 further documented the State's
3 commitment to implement the goals of the Paris Agreement,
4 demonstrating the State's proactive stance in contributing to
5 global climate mitigation efforts change by systematically
6 reducing greenhouse gas emissions.

7 Furthermore, the United States has set ambitious nationally
8 determined contributions under the Paris Agreement, aiming to
9 significantly reduce national greenhouse gas emissions. The
10 legislature finds that the current overarching targets
11 established within section 225P-5, Hawaii Revised Statutes, are
12 consistent with the nationally determined contributions, but can
13 be strengthened by providing more specificity and clarity.

14 In December 2023, the Hawaii state energy office completed
15 the first Pathways to Decarbonization report to estimate sector
16 and category-level projections of greenhouse gas emissions
17 necessary to reach the overarching emissions target established
18 by Act 238, Session Laws of Hawaii 2022. Through this work,
19 sector-specific targets can be derived, providing a clearer
20 roadmap for achieving comprehensive emissions reductions across
21 all sectors of the State's economy.

S.B. NO. 1340

1 Therefore, to ensure that Hawaii continues to lead by
2 example in the fight against climate change and to safeguard the
3 well-being of current and future generations, the legislature
4 finds it necessary to further refine and improve the State's
5 zero emissions clean economy target.

6 The purpose of this Act is to provide needed clarifications
7 on the applicability and scope of section 225P-5, Hawaii Revised
8 Statutes. The proposed amendments clarify current emissions
9 reduction goals and define critical terms used in climate
10 mitigation. Further, the purpose of this Act is to establish a
11 total or gross emissions target as well as sector-specific
12 targets to reinforce action in the relevant emitting sectors
13 further strengthening the transition to a sustainable, low-
14 carbon economy. Amendments to the statute are consistent with
15 the legislature's original intent.

16 SECTION 2. Section 225P-2, Hawaii Revised Statutes, is
17 amended by adding new definitions to be appropriately inserted
18 and to read as follows:

19 "Anthropogenic greenhouse gas emissions" means the release
20 of greenhouse gases into the atmosphere as a direct result of
21 human activities. Sources of anthropogenic greenhouse gas
22 emissions include but are not limited to fuel combustion,

S.B. NO. 1340

1 industrial operations, deforestation, agricultural practices,
2 and waste management.

3 "Carbon sink" means any process, activity, or mechanism
4 that removes a greenhouse gas, an aerosol, or a precursor of a
5 greenhouse gas from the atmosphere.

6 "Emission leakage" means the net increase of anthropogenic
7 greenhouse gas emissions occurring outside an established
8 inventory system boundary, resulting from efforts to reduce
9 greenhouse gas emissions in one location or sector that lead to
10 an increase in emissions in another location or sector.

11 "Greenhouse gas" means any gas in the atmosphere that traps
12 or emits heat and results in increasing the Earth's surface
13 temperatures. These greenhouse gases include gases such as
14 carbon dioxide, methane, nitrous oxide, and fluorinated gases.

15 "Greenhouse gas emission" means the production or release
16 of greenhouse gases from human activities including but not
17 limited to the burning of carbon-based fuels, the release of
18 gases from certain chemical reactions, the release and leakage
19 of refrigerants, the application of fertilizer, or the clearing
20 of forests.

21 "Greenhouse gas emitting category" or "category" means the
22 various economic sub-classifications within each sector as

S.B. NO. 1340

1 defined by the Intergovernmental Panel on Climate Change, the
2 United Nations body for assessing the science related to climate
3 change.

4 "Greenhouse gas emitting sector" or "sector" means the
5 various economic classifications that contribute to greenhouse
6 gas emissions including the energy, transport, buildings,
7 industry, agriculture, forestry, and waste management sectors as
8 determined by the Intergovernmental Panel on Climate Change.

9 "Greenhouse gas inventory" or "inventory" means the
10 statewide greenhouse gas emissions inventory report published by
11 the state department of health as required by section 342B-71.

12 "Greenhouse gas reservoir" means a physical unit or
13 component of the biosphere, geosphere, or hydrosphere with the
14 capability to store, accumulate, or release a greenhouse gas
15 removed from the atmosphere by a greenhouse gas sink, or a
16 greenhouse gas captured from a greenhouse gas emission source.

17 "Net greenhouse gas emission" means the estimated balance
18 between the emissions produced or released into the atmosphere,
19 subtracted from the emissions sequestered through natural and
20 technological processes, or the sum of emissions sources and
21 emissions sinks.

S.B. NO. 1340

1 "Total greenhouse gas emissions" means the aggregated total
2 emissions from all economic sectors expressed in units of mass
3 by carbon dioxide equivalent. For this chapter, emissions
4 accounted for shall include those emissions from human-made, or
5 anthropogenic sources. Total greenhouse gas emissions do not
6 include offsets or sinks."

7 SECTION 3. Section 225P-5, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§225P-5 Zero emissions clean economy target. (a)
10 Considering [~~both atmospheric carbon and~~] all in-state
11 anthropogenic greenhouse gas emissions as well as [~~offsets~~]
12 carbon sink capacity from the local in-state sequestration of
13 atmospheric carbon [~~and greenhouse gases~~] through long-term
14 carbon sinks and reservoirs, a statewide net greenhouse gas
15 emission target is hereby established to sequester more
16 atmospheric carbon and greenhouse gases than anthropogenically
17 emitted within the State as quickly as practicable, but no later
18 than 2045; provided that the statewide target includes a net
19 greenhouse gas emissions limit, to be achieved no later than
20 2030, of at least fifty per cent below the level of the
21 statewide net greenhouse gas emissions in 2005[-], as determined
22 by the state greenhouse gas inventory.

S.B. NO. 1340

1 (b) Total greenhouse gas emissions shall be reduced by
2 ninety per cent below the level of statewide total greenhouse
3 gas emissions in 2005, as quickly as practicable, but no later
4 than 2045. Sector and category-specific targets are further
5 established in key emitting categories as follows, using 2005 as
6 the baseline year:

7 (1) Total greenhouse gas emissions from stationary
8 combustion shall be reduced by:

- 9 (A) Fifty per cent by 2030;
- 10 (B) Eighty per cent by 2035;
- 11 (C) Ninety per cent by 2040; and
- 12 (D) Ninety-five per cent by 2045.

13 (2) Total greenhouse gas emissions from ground
14 transportation shall be reduced by:

- 15 (A) Forty per cent by 2030;
- 16 (B) Seventy per cent by 2035;
- 17 (C) Ninety per cent by 2040; and
- 18 (D) Ninety-five per cent by 2045.

19 The commission shall work with stakeholders to inform the
20 development of science-based targets in other economic sectors
21 and categories and targets shall be published in the
22 commission's annual report.

S.B. NO. 1340

1 The commission shall work with members to help ensure the
2 members' actions avoid emissions leakage resulting from
3 policies, projects, and programs implemented to achieve the
4 targets.

5 [~~(b)~~] (c) The [~~Hawaii climate change mitigation and~~
6 ~~adaptation~~] commission shall [~~endeavor to~~] provide policy and
7 program guidance to the governmental and non-governmental
8 agencies on the actions needed to achieve the goals of this
9 section.

10 (d) After January 1, [~~2020,~~] 2026, all state agencies
11 preparing plans, making decisions, including procurement
12 decisions, and developing strategies shall [~~give consideration~~
13 ~~to~~] consider the impact of those plans, decisions, and
14 strategies on the State's ability to achieve the [~~goals~~] targets
15 outlined in [~~this section,~~] section 225P-5(a) and (b), weighed
16 appropriately against their primary purpose.

17 (e) Members of the commission shall submit to the
18 commission and include within their annual reports to the
19 legislature, as applicable, a summary of actions taken, or not
20 taken, to help the State meet the established clean economy
21 targets. The commission shall develop a standardized reporting
22 template to facilitate reporting for commission members."

S.B. NO. 1340

1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

4

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INTRODUCED BY: *Mrs. M. H.*

6

BY REQUEST

S.B. NO. 1340

Report Title:

Greenhouse Gas; Carbon; Hawaii Climate Change Mitigation and Adaptation Commission; Hawaii State Energy Office

Description:

Provides needed clarifications on the applicability and scope of section 225P-5, HRS. Clarifies current emissions reduction goals and defines critical terms used in climate mitigation. Establishes a total or gross emissions target as well as sector-specific targets to reinforce action in the relevant emitting sectors further strengthening the transition to a sustainable, low-carbon economy.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE ZERO EMISSIONS CLEAN ECONOMY TARGET.

PURPOSE: To provide needed clarifications on the applicability and scope of section 225P-5, Hawaii Revised Statutes (HRS). The proposed amendments clarify current emissions reduction goals and define critical terms used in climate mitigation. Further, the purpose of this bill is to establish a total or gross emissions target as well as sector-specific targets to reinforce action in the relevant emitting sectors further strengthening the transition to a sustainable, low-carbon economy. Amendments to the statute are consistent with the Legislature's original intent.

MEANS: Amend sections 225P-2 and 225P-5, HRS.

JUSTIFICATION: It is necessary to further refine and improve the State's net emissions target due to ambiguity in the current wording and lack of specificity in the statute's scope and applicability. Further, the current statute lacks critical definitions that ensure appropriate accounting is in place.

Impact on the public: The bill furthers the interests of future generations and youth to inherit a life-sustaining climate with access to the same diversity and cultural resources enjoyed by previous generations.

Impact on the department and other agencies: This bill will require members of the Hawaii Climate Change Mitigation and Adaptation Commission to evaluate how their activities align with the State's greenhouse gas emission reduction goals and weigh these considerations alongside their primary missions. Members of the commission will be required to annually summarize to the

Commission those actions taken to support emissions reduction targets. Agencies must follow a standardized reporting template to provide consistent updates on progress or lack thereof. The summary must be included in their annual report to the Legislature, as applicable.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: BED-120.

OTHER AFFECTED
AGENCIES: Department of Land and Natural Resources, Hawaii Climate Change Mitigation and Adaptation Commission, Department of Health, Department of Transportation, Office of Planning and Sustainable Development, Hawaii Tourism Authority, Department of Agriculture, Office of Hawaiian Affairs, Hawaiian Homes Commission, Adjutant General, and Department of Education, City and County of Honolulu - Department of Planning and Permitting, County of Maui - Department of Planning, County of Hawaii - Department of Planning, County of Kauai - Department of Planning, legislator members of the Commission.

EFFECTIVE DATE: Upon approval.