

Honolulu, Hawaii
, 2026

FEB 09

RE: H.B. No. 1695
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Transportation, to which was referred H.B.
No. 1695 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE FUEL,"

begs leave to report as follows:

The purpose of this measure is to expand the renewable fuels production tax credit to accelerate the development and adoption of low-emissions renewable fuels, including sustainable aviation fuel, by increasing incentive values, updating eligibility criteria, and supporting local production.

Your Committee received testimony in support of this measure from Alaska Airlines and Hawaiian Airlines; Par Hawaii; Pono Pacific; Kohala Coast Resort Association; Hawai'i Farm Bureau; Twelve Benefit Corporation; Hawai'i Renewable Fuels Coalition; Pacific Biodiesel Technologies; RNG COALITION; and one individual. Your Committee received testimony in opposition to this measure from the Energy Justice Network and one individual. Your Committee received comments on this measure from the Department of Taxation; Hawaii State Energy Office; Life of the Land; Tax Foundation of Hawaii; Airlines for America; and Island Energy Services.

Your Committee finds that Hawaii's transportation sector is the largest source of greenhouse gas emissions in the State, with



aviation accounting for nearly half of those emissions. Transitioning this sector to renewable energy is essential to meeting the State's decarbonization and climate resilience goals. This measure expands the renewable fuels production tax credit to incentivize local production, support agricultural innovation, stimulate job creation, and strengthen Hawaii's food and energy security through a clean energy economy.

Your Committee notes the concerns expressed by the Hawaii State Energy Office related to the impacts that removing the individual taxpayer or single producer cap could have on limiting the number of producers or fuel pathways.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) 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 Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1695, H.D. 1, and be referred to your Committee on Energy & Environmental Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



DARIUS KILA, Chair



ASCR 94-2C

Bill/Resolution No.: HB 1695	Committee Referral: TRN, EEP, FIN	Date: FEB 05, 2026		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. KILA, Darius K. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle	✓			
4. EVSLIN, Luke A.	✓			
5. GRANDINETTI, Tina Nakada	✓			
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.			✓	
9. PIERICK, Elijah				✓
TOTAL (9)	7	0	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u>Tyson Miyake</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				