

Honolulu, Hawaii

MAY 01 2026

RE: S.B. No. 2999
S.D. 1
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

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

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2999, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO A CLEAN FUEL STANDARD,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to support the deployment of clean transportation fuel technologies that reduce the carbon intensity of fuel used in the State.

Specifically, this measure:

- (1) Requires the Department of Transportation to adopt administrative rules by January 1, 2028, that govern a clean fuel standard for alternative fuels; and



- (2) Establishes requirements for annual reports and public informational sessions.

Your Committee on Conference finds that the adoption of administrative rules that specifically govern clean fuel standards for the transportation sector will help the State to reduce transportation emissions in a timely manner. Your Committee on Conference further finds that these administrative rules should be informed by input from regulated industries and experience from jurisdictions that have adopted similar clean fuel policies.

Your Committee on Conference has amended this measure by:

- (1) Codifying within the Hawaii Revised Statutes the Department of Transportation's responsibility to adopt administrative rules governing a clean fuel standard for alternative fuels;
- (2) Requiring the administrative rules to include:
 - (A) An automatic acceleration mechanism designed to tighten carbon intensity targets to mitigate the risk of credit oversupply; and
 - (B) Mechanisms for electric vehicle charging providers to calculate and generate credits based on the capacity of public fast charging infrastructure to charge electric vehicles;
- (3) Clarifying that the administrative rules shall include mechanisms whereby an electric utility, electric vehicle charging provider, or energy producer may generate credits for electricity, rather than gaseous fuels, used in transportation;
- (4) Clarifying, for purposes of establishing the mechanism by which an electric utility or public agency may direct a portion of its overall credit value to certain electrified transportation programs, projects, or investments, that programs, projects, or investments may include rebates for the purchase of electric vehicles, electric micromobility devices, and related charging equipment;



- (5) Authorizing the Department of Transportation to base the State's clean fuel standard on similar policies in jurisdictions such as California, Oregon, and Washington;
- (6) Inserting language requiring the administrative rules to establish:
 - (A) A credit clearance market to protect Hawaii consumers from unreasonable fuel price increases resulting from the clean fuel standard; and
 - (B) A maximum credit price per compliance period;
- (7) Requiring the Department of Transportation to annually calculate and publish the per-gallon consumer cost of the clean fuel standard for gasoline and diesel;
- (8) Requiring the Department of Transportation to publicly determine whether to take certain actions if the per-gallon consumer compliance cost exceeds fifteen cents for gasoline or diesel in a compliance year;
- (9) Changing the measure's effective date from July 1, 3000, to upon approval; and
- (10) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

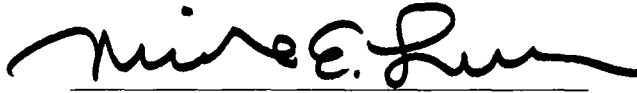
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2999, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2999, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



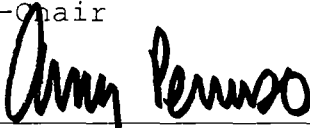
NICOLE E. LOWEN
Co-Chair



CHRIS LEE
Chair



DARIUS KILA
Co-Chair



AMY A. PERRUSO
Co-Chair



Hawai'i State Legislature

Record of Votes of a Conference Committee

CCR 127-26

Bill / Concurrent Resolution No.: SB 2999, SD 1, HD 2					Date/Time: 5/11/2026 12:40 pm				
☒ The recommendation of the House and Senate managers is to pass with amendments (CD).									
☐ The Committee is reconsidering its previous decision.									
☐ The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					☐ The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
LEE, Chris, Chr.	✓				LOWEN, Nicole E., Co-Chr.	✓			
KANUHA, Dru Mamo	✓				KILA, Darius K., Co-Chr.				✓
FEVELLA, Kurt				✓	PERRUSO, Amy A., Co-Chr.	✓			
					QUINLAN, Sean	✓			
					MATSUMOTO, Lauren				✓
TOTAL	2	0	0	1	TOTAL	3	0	0	2
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
☒ Adopted ☐ Not Adopted					☒ Adopted ☐ Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
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