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# A BILL FOR AN ACT

RELATING TO BIODIESEL.

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

1           SECTION 1. The legislature finds that Hawaii's heavy  
2 dependence on imported petroleum threatens the State's energy  
3 security, economic stability, and national security interests in  
4 the Pacific region. Locally produced biodiesel provides an  
5 immediately deployable, renewable, energy-dense fuel that  
6 reduces reliance on foreign crude oil and increases the State's  
7 resilience against global supply disruptions, which have  
8 strategic local community and military importance. Biodiesel  
9 production can expand using locally sourced feedstocks from  
10 agriculture and recycled materials, strengthening the State's  
11 circular economy and supporting high-quality local jobs,  
12 regenerative farming, and food-security co-products.

13           The legislature further finds that biodiesel is essential  
14 to Hawaii's clean energy and transportation goals. Biodiesel is  
15 safe, biodegradable, and compatible with existing diesel engines  
16 and infrastructure without equipment modifications. It provides  
17 firm, dispatchable renewable energy to support the electric grid



1 when solar and wind resources are unavailable and offers  
2 significant greenhouse gas reductions for expensive and hard-to-  
3 electrify vehicles such as trucks, buses, and marine vessels.  
4 Replacing even five per cent of the State's transportation  
5 diesel with biodiesel would prevent significant carbon emissions  
6 while keeping fuel dollars circulating within the State's  
7 economy. In addition, this change would impact fuel cost by  
8 fewer than 3 cents per retail gallon, which falls within the  
9 typical weekly fluctuations of diesel fuel prices.

10 The legislature additionally finds that a minimum biodiesel  
11 fuel requirement would help reduce fossil diesel usage, support  
12 biodiesel production and agricultural feedstocks, and help  
13 biodiesel become a critical component of the State's energy  
14 portfolio.

15 Accordingly, the purpose of this Act is to require the  
16 director of business, economic development, and tourism to  
17 implement a requirement that diesel fuel sold in the State for  
18 use in on-highway diesel-powered motor vehicles contains no less  
19 than five per cent biodiesel by volume.

20 SECTION 2. (a) The director of business, economic  
21 development, and tourism shall adopt rules in accordance with



1 chapter 91, Hawaii Revised Statutes, to require that, no later  
2 than January 1, 2028, diesel fuel sold in the State for use in  
3 on-highway diesel-powered motor vehicles contains no less than  
4 five per cent biodiesel by volume.

5 (b) The amounts of diesel fuel sold in the State  
6 containing no less than five per cent biodiesel shall be in  
7 accordance with rules as the director of business, economic  
8 development, and tourism deems appropriate.

9 (c) The department of business, economic development, and  
10 tourism shall submit a report to the legislature no later than  
11 twenty days prior to the convening of the regular session of  
12 2027. The report shall include a comprehensive rollout plan for  
13 the requirements of this section that addresses the timeline,  
14 fiscal, and administrative structure of the rollout plan, any  
15 coordination mechanism concerns, and any necessary statutory or  
16 regulatory adjustments.

17 (d) The director of business, economic development, and  
18 tourism shall:

19 (1) Consult with the department of transportation during  
20 the development and implementation of the requirements



1 of this section to ensure operational coordination;  
2 and

3 (2) Present the comprehensive rollout plan to the public  
4 no later than one hundred twenty days prior to the  
5 implementation of the requirements of this section.

6 (e) As used in this Act, "biodiesel" means liquid fuel  
7 produced from organic sources such as biomass crops;  
8 agricultural residues; oil crops including sunflower oil, canola  
9 oil, and soybean oil; food wastes such as cooking oil or grease;  
10 animal residues and wastes; and sewage and landfill wastes that  
11 comply with ASTM International standard D6751.

12 SECTION 3. This Act shall take effect on July 1, 3000.



**Report Title:**

Biodiesel; Minimum Fuel Requirement; Diesel-powered Motor Vehicles; DBEDT; Report

**Description:**

Requires the Director of Business, Economic Development, and Tourism to implement a requirement that, no later than January 1, 2028, diesel fuel sold in the State for use in on-highway diesel-powered motor vehicles contains no less than five per cent biodiesel by volume. Requires the Department of Business, Economic Development, and Tourism to submit a report to the Legislature, including a comprehensive rollout plan. Requires the Director to consult with the Department of Transportation and present the comprehensive rollout plan to the public. Effective 7/1/3000. (HD2)

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

