
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, except in circumstances
20 where the supply of biodiesel is insufficient.



1 SECTION 2. Chapter 486J, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§486J- Biodiesel; fuel requirement; diesel-powered
5 motor vehicles; rules. (a) The director shall adopt rules in
6 accordance with chapter 91 to require that, no later than
7 January 1, 2028, diesel fuel sold in the State for use in on-
8 highway diesel-powered motor vehicles contains no less than five
9 per cent biodiesel by volume; provided that the rules shall
10 allow for the use of renewable diesel in on-highway diesel-
11 powered motor vehicles if the supply of biodiesel is
12 insufficient.

13 (b) The amounts of diesel fuel sold in the State
14 containing no less than five per cent biodiesel shall be in
15 accordance with rules as the director deems appropriate.

16 (c) Any distributor or any other person violating the
17 requirements of this section shall be subject to a fine of no
18 less than \$2 per gallon of nonconforming fuel, up to a maximum
19 of \$10,000 per infraction.



1 (d) The director, in accordance with chapter 91, shall
2 adopt rules for the administration of and enforcement of this
3 section.

4 (e) As used in this section, "biodiesel" means liquid fuel
5 produced from organic sources such as:

6 (1) Agricultural residues;

7 (2) Animal residues and wastes;

8 (3) Biomass crops;

9 (4) Food wastes such as cooking oil or grease;

10 (5) Oil crops including sunflower oil, canola oil, and
11 soybean oil; and

12 (6) Sewage and landfill wastes,

13 that comply with ASTM International standard D6751."

14 SECTION 3. (a) The department of business, economic
15 development, and tourism shall submit a report to the
16 legislature no later than twenty days prior to the convening of
17 the regular session of 2027. The report shall include a
18 comprehensive rollout plan for the requirements for diesel fuel
19 sold in the State established pursuant to section 486J- ,
20 Hawaii Revised Statutes, that addresses the timeline, fiscal,
21 and administrative structure of the rollout plan, any



1 coordination mechanism concerns, and any necessary statutory or
2 regulatory adjustments.

3 (b) The director of business, economic development, and
4 tourism shall:

5 (1) Consult with the department of transportation during
6 the development and implementation of the requirements
7 of section 486J- , Hawaii Revised Statutes, to
8 ensure operational coordination; and

9 (2) Present the comprehensive rollout plan to the public
10 no later than one hundred twenty days prior to the
11 implementation of the requirements of section
12 486J- , Hawaii Revised Statutes.

13 SECTION 4. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Biodiesel; Minimum Fuel Requirement; Diesel-powered Motor Vehicles; DBEDT; DOT; 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, except in circumstances where the supply of biodiesel is insufficient. Requires the Department of Business, Economic Development, and Tourism to submit a report to the Legislature, including a comprehensive rollout plan, and later present this plan to the public. Requires the Director to consult with the Department of Transportation during development and implementation of the biodiesel requirements. Effective 7/1/3000. (HD3)

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