

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 2423
H.D. 3

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

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2423, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BIODIESEL,"

begs leave to report as follows:

The purpose of this measure is to require the Director of Business, Economic Development, and Tourism to:

- (1) 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 shall contain no less than five percent biodiesel by volume;
- (2) Submit a report to the Legislature that includes a comprehensive rollout plan and later present the comprehensive rollout plan to the public; and
- (3) Consult with the Department of Transportation during development and implementation of the biodiesel requirements.

Your Committee received testimony in support of this measure from the Hawaii Transportation Association; Pacific Biodiesel; and two individuals. Your Committee received comments on this measure



from the Hawai'i State Energy Office and Hawai'i Automobile Dealers Association.

Your Committee finds that the State's heavy dependence on imported petroleum undermines the State's energy security, increases vulnerability to global supply disruptions, and perpetuates high emissions from the transportation sector. Your Committee further finds that biodiesel is a renewable, energy-dense fuel that can be immediately deployed through existing infrastructure, supports the circular economy by utilizing local feedstocks, and offers meaningful greenhouse gas reductions for hard-to-electrify vehicle classes. This measure seeks to strengthen Hawaii's energy resilience and accelerate the transition toward cleaner, locally supported transportation fuels.

Your Committee has amended this measure by:

- (1) Codifying the rulemaking requirements for the Director of Business, Economic Development, and Tourism under this measure;
- (2) Specifying that renewable diesel may be used for on-highway diesel-powered motor vehicles if the supply for biodiesel is insufficient;
- (3) Establishing fines for violations of the diesel fuel requirements;
- (4) Requiring the Director of Business, Economic Development, and Tourism to adopt rules for the administration and enforcement of the diesel fuel requirements; and
- (5) 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 Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2423, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2423, H.D. 3.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATAYOSHI, Chair



