

STAND. COM. REP. NO. **3312**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 2423
H.D. 3
S.D. 1

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

Sir:

Your Committees on Economic Development and Tourism and Energy and Intergovernmental Affairs, to which was referred H.B. No. 2423, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO BIODIESEL,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require 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 percent biodiesel by volume, except in circumstances where the supply of biodiesel is insufficient;
- (2) Require 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; and
- (3) Require the Director of Business, Economic Development, and Tourism to consult with the Department of Transportation during the development and implementation of the biodiesel requirements.



Your Committees received testimony in support of this measure from the Pacific Biodiesel, Hawai'i Island Chamber of Commerce, Hawaii Transportation Association, and two individuals.

Your Committees received comments on this measure from the Hawai'i State Energy Office.

Your Committees find that reducing the State's reliance on fossil fuels is integral to advancing its statutory climate and clean energy goals, including commitments to achieving a net-negative greenhouse gas economy and reducing petroleum consumption in the transportation sector. Increased utilization of biodiesel, which is manufactured in the State, offers a unique opportunity to advance the State's decarbonization strategy while reducing waste, creating jobs for the local workforce, and reducing reliance on imported fossil fuels subject to price shocks and shortages. This measure advances the State's energy security, supports agricultural diversification, and creates local economic opportunity.

Your Committees acknowledge the concerns raised in testimony by the Hawaii State Energy Office that before establishing a statewide biodiesel volume requirement, it is critical to assess projected cost impacts, distribution system readiness, fuel quality management, compliance timelines, interactions with federal obligations, and the ability of suppliers to provide consistent volumes without disrupting existing supply chains. Your Committees find that limiting the initial implementation of this measure to certain counties, rather than statewide, will help to ensure that the mandate achieves its intended environmental benefits without unintended economic consequences. Therefore, amendments to this measure are necessary to address this matter.

Accordingly, your Committees have amended this measure by:

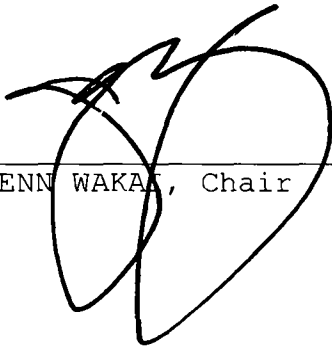
- (1) Making the five percent biodiesel by volume requirement applicable to any county with a population between two hundred thousand and three hundred thousand persons, rather than statewide;
- (2) Amending section 1 to reflect its amended purpose;



- (3) Inserting an effective date of July 1, 3050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism and Energy and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2423, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2423, H.D. 3, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Economic Development and Tourism and Energy and Intergovernmental Affairs,



GLENN WAKAI, Chair

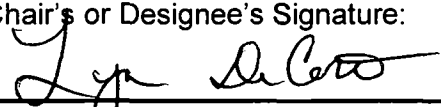


LYNN DECOITE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

| | | | | |
|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* HB2423, HD3 | Committee Referral: EDT/EIG, CPN/WAM | Date: 3/24/26 | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| WAKAI, Glenn (C) | ✓ | | | |
| CHANG, Stanley (VC) | | | | ✓ |
| DECOITE, Lynn | ✓ | | | |
| RICHARDS, III, Herbert M. "Tim" | | | | ✓ |
| FEVELLA, Kurt | | ✓ | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | 2 | 1 | 0 | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency | | | | |

*Only one measure per Record of Votes