

Honolulu, Hawaii

MAR 30 , 2026

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

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

Madame:

Your Committee on Transportation, to which was referred S.B. No. 2999, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the Department of Transportation to adopt rules by January 1, 2028, establishing a clean fuel standard for alternative fuels in the State.

Your Committee received testimony in support of this measure from the Office of the Governor; Hawai'i Climate Change Mitigation and Adaptation Commission; Clean Energy; Neste; Pump Cleaner Fuels Hawai'i; Rivian; Simonpietri Enterprises LLC; Tesla, Inc.; National Electrical Manufacturers Association; and three individuals. Your Committee received testimony in opposition to this measure from the Energy Justice Network and one individual. Your Committee received comments on this measure from Island Energy Services, LLC; and Par Hawaii.

Your Committee finds that the transportation sector is the largest source of greenhouse gas emissions in the State and without targeted policies, emissions reductions will not occur at a pace consistent with Hawaii's climate goals. Your Committee further finds that a clean fuel standard is a market-based,



technology-neutral approach that can incentivize the development and adoption of lower-carbon fuels, create new economic opportunities from waste-derived and renewable resources, and improve public health through reduced air pollution. By requiring the Department of Transportation to establish a comprehensive clean fuel standard that reduces lifecycle greenhouse gas emissions, promotes clean energy investment, and advances the State's environmental, economic, and public health objectives, this measure effectively reduces the carbon intensity of transportation fuels while supporting economic growth and innovation.

Your Committee further finds that H.B. No. 1986, H.D. 2 (Regular Session of 2026), a substantially similar measure, was previously passed by the House.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 1986, H.D. 2, a measure that requires the Department of Transportation to:
 - (A) Adopt rules by January 1, 2028, governing a clean fuel standard for alternative fuels in the State; and
 - (B) Report to the Legislature and conduct public informational sessions related to the implementation and performance of the clean fuel standard; and
- (2) Requiring, rather than authorizing, the Department of Transportation to adopt rules regarding certain provisions.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2999, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2999, S.D. 1, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Transportation,



DARIUS KILA, Chair



