

ACT 311

H.B. NO. 2068

A Bill for an Act Making An Appropriation for a Methanol-From-Biomass Program.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawaii's energy crises of 1973 and 1979 impacted heavily on the State's transportation fuel supply as nearly sixty per cent of the energy used in Hawaii is for transportation needs. Despite this, most of the energy research and development promoted in the State thus far has been related to electricity (geothermal, photovoltaics, hydroelectricity, OTEC, and HPOWER). While the crises occurred many years ago, the legislature believes that the attainment of energy independence through the development of indigenous sources of transportation fuel should not be overlooked or deferred any longer.

The legislature further finds that a recent study by the Hawaii natural energy institute of the University of Hawaii indicates that three per cent of Hawaii's land area could grow sufficient biomass feedstock to produce 440 million gallons of methanol which is the approximate energy equivalent of all the gasoline used by Hawaii's automobiles. Moreover, Hawaii is an ideal site for testing and evaluating transition strategies for the use of methanol as an automotive fuel for the future because of its year-round warm climate, the maximum driving distance of fifty miles from any point on Oahu to its central business district, and the high density of federal and nonfederal vehicles.

The purpose of this Act is to express the State's commitment toward biofuels research and development programs by appropriating matching funds to support a methanol-from-biomass pilot plant feasibility study and cost-sharing funds to begin

plans and construction of a methanol-from-biomass pilot research plant. It is the intent of the legislature that any remaining capital improvement funding requirements for the construction of the plant shall be appropriated during the 1989-1991 fiscal biennium.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$220,000, or so much thereof as may be necessary for fiscal year 1988-1989, to conduct a methanol-from-biomass research pilot plant feasibility study by the Hawaii natural energy institute of the University of Hawaii; provided that no funds shall be made available under this section unless matching funds are obtained from the federal government for the purpose for which this sum is appropriated.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000, or so much thereof as may be necessary for fiscal year 1988-1989, for the plans and construction of a methanol-from-biomass research pilot plant.

SECTION 4. The sums appropriated shall be expended by the University of Hawaii.

SECTION 5. This Act shall take effect on July 1, 1988.

(Approved June 13, 1988.)