

ACT 199

S.B. NO. 1244

A Bill for an Act Relating to Biofuels.

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

SECTION 1. The legislature finds that the renewable energy facility siting process serves to encourage expeditious permitting and development of renewable energy facilities in Hawaii. The renewable energy facility siting process accomplishes this by coordinating relevant state and county permitting agencies and collecting fees from permit applicants to reimburse state and county agencies for costs related to processing the necessary project permits within twelve months following final acceptance of the document required under chapter 343, Hawaii Revised Statutes. To date, only one project has used the renewable energy facility siting process. However at least four other projects statewide have applied for, or intend to apply for, participation in the renewable energy facility siting process. Many other developers and government agencies have expressed interest in the renewable energy facility siting process.

To help meet the State's clean energy goals, the State's utilities need adequate infrastructure, including interisland transport facilities, to transport, distribute, and store large amounts of biofuels in Hawaii. Facilitating the permitting of the infrastructure will enable the State's utilities to immediately increase their biofuel demand, which in turn should encourage more supply from local biofuel producers.

Currently, only biofuel producers with the capacity to produce one million gallons or more of biofuel annually are eligible for the renewable energy facility siting process. However, consistent with the emerging nature of biofuel technologies, most biofuel projects currently under development in the State are small-scale, pilot projects, some with the capacity to produce only one hundred thousand gallons or more annually. The success of these pilot facilities is critical to Hawaii's clean energy independence as they are a precursor to the demonstration and commercial-scale phases of development.

The inclusion of biofuel production facilities and biofuel distribution infrastructure with the capacity to produce or distribute one hundred thousand gallons or more of biofuel annually will further the State's interest in reducing over-dependence on imported fossil fuels and meeting energy self-sufficiency goals and mandates. It will also encourage the timely development of renewable energy projects that use Hawaii's indigenous renewable energy resources for the health, safety, and welfare of Hawaii's residents.

The purpose of this Act is to expand the applicability of the renewable energy facility siting process to include biofuel production facilities and distribution infrastructure with the capacity to produce or distribute one hundred thousand gallons or more of biofuel annually.

SECTION 2. Section 201N-1, Hawaii Revised Statutes, is amended by amending the definition of “renewable energy facility” or “facility” to read as follows:

““Renewable energy facility” or “facility” means a new facility located in the State with the capacity to produce from renewable energy at least two hundred megawatts of electricity; provided that an electricity production facility with a capability between five megawatts and one hundred ninety-nine megawatts of electricity and a biofuel production facility or distribution infrastructure with a capacity to produce or distribute one ~~[million]~~ hundred thousand gallons or more annually may apply to the coordinator for designation as a renewable energy facility. The term includes any of the following associated with the initial permitting and construction of the facility:

- (1) The land parcel on which the facility is situated;
- (2) Any renewable energy production structure or equipment;
- (3) Any energy transmission line from the facility to a public utility’s electricity transmission or distribution system;
- (4) Any on-site infrastructure; and
- (5) Any on-site building, structure, other improvement, or equipment necessary for the production of electricity or biofuel from the renewable energy site, transmission of the electricity or biofuel, or any accommodation for employees of the facility.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 8, 2011.)