
A BILL FOR AN ACT

RELATING TO SUSTAINABLE AVIATION FUEL.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that at the inaugural
2 Hawaii Aviation and Climate Action Summit on December 3, 2019,
3 participants found that:
- 4 (1) Tourism is the number one driver of Hawaii's economy;
 - 5 (2) Over ninety-five per cent of visitor arrivals are by
6 plane;
 - 7 (3) Nearly one-third of the energy consumed in the State
8 is for jet fuel, which is a higher proportion of
9 petroleum consumption than any other energy sector;
 - 10 (4) Over one-third of Hawaii flights are to and from
11 international destinations;
 - 12 (5) In 2021, a number of these international flights will
13 become subject to the offsetting requirements
14 established by the International Civil Aviation
15 Organization's Carbon Offsetting and Reduction Scheme
16 for International Aviation (CORSA), with virtually



1 all international flights becoming subject to CORSIA
2 offsetting in 2027;

3 (6) CORSIA requires commercial airlines to reduce
4 greenhouse gas emissions by fifty per cent below 2005
5 levels by 2050;

6 (7) Mechanisms for airlines to meet CORSIA requirements
7 include fuel efficiency improvements, switching to
8 sustainable aviation fuel with a greenhouse gas carbon
9 intensity below a petroleum benchmark, and purchasing
10 and retiring carbon offsets;

11 (8) The State can support small and local business
12 innovation and technology development for this
13 important sector by expanding the authority of the
14 Hawaii technology development corporation to match
15 federal and private funding in this area; and

16 (9) A portion of the environmental response, energy, and
17 food security tax, also known as the "barrel tax",
18 currently allocated to the general fund can be
19 appropriately directed to the Hawaii technology
20 development corporation to support this program.



1 The purpose of this Act is to support the greenhouse gas
2 lifecycle reduction of commercial aviation in the State by
3 establishing a sustainable aviation fuel program within the
4 Hawaii technology development corporation.

5 SECTION 2. Chapter 206M, Hawaii Revised Statutes, is
6 amended by adding a new section to part I to be appropriately
7 designated and to read as follows:

8 "§206M- Sustainable aviation fuel program; established.

9 (a) There is established the sustainable aviation fuel program,
10 through which the development corporation may provide matching
11 grants to any small business in the State that is developing
12 products related to sustainable aviation fuel or commercial
13 aviation operations greenhouse gas reduction and requires
14 assistance for any of the following items:

- 15 (1) Business planning;
- 16 (2) Technology development;
- 17 (3) Engineering; or
- 18 (4) Research.

19 (b) All moneys necessary to carry out the purposes of this
20 section shall be appropriated by the legislature from



1 environmental response, energy, and food security tax revenues
2 under section 243-3.5.

3 (c) In reviewing grant applications pursuant to this
4 section, the development corporation shall analyze each
5 application to determine whether the item to be undertaken will
6 be economically viable and beneficial to the State.

7 (d) For the purposes of this program, product development
8 activities eligible for matching funds grants shall reduce
9 commercial aviation greenhouse gas emissions through:

- 10 (1) Sustainable aviation fuel production;
- 11 (2) Airborne operations fuel efficiency;
- 12 (3) Ground support equipment fuel replacement;
- 13 (4) Ground support equipment fuel efficiency; or
- 14 (5) Airport operations support to reduce overall jet fuel
15 consumption.

16 (e) Hawaii jet fuel baseline carbon intensity shall be set
17 at eighty-nine grams of carbon dioxide equivalent per megajoule,
18 in line with the benchmark established by the International
19 Civil Aviation Organization. This carbon intensity may be
20 revised from time to time by the upon recommendation from the
21 Hawaii state energy office based upon future revisions to the



1 United States Department of Energy's Greenhouse Gases, Regulated
2 Emissions, and Energy Use in Transportation full life-cycle
3 model; provided that carbon intensity shall be measured in the
4 units of grams of carbon dioxide equivalent per megajoule.

5 (f) For the purposes of this section:

6 "Grant" means financial assistance provided to Hawaii small
7 business innovation research, small business technology
8 transfer, and other agency and private sector awardees and
9 applicants under the terms and conditions provided in this
10 chapter.

11 "Hawaii small business innovation research", "small
12 business technology transfer", and "sustainable aviation grant
13 program" means the programs administered by the development
14 corporation to encourage participation by Hawaii companies in
15 the federal research and development programs.

16 "Other agency" means an award or contract granted by the
17 United States Departments of Agriculture, Transportation,
18 Energy, Defense, or Commerce, or other federal agency for
19 activity consistent with those defined in this program.

20 "Sustainable aviation fuel" means American Society for
21 Testing and Materials D7566-compliant renewable aviation turbine



1 fuel derived from eligible materials as defined under section
2 269-91 and with a greenhouse gas lifecycle carbon intensity
3 lower than the baseline for jet fuel defined by the
4 International Civil Aviation Organization."

5 SECTION 3. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2020-2021 for
8 the sustainable aviation fuel program.

9 The sum appropriated shall be expended by the Hawaii
10 technology development corporation for the purposes of this Act.

11 SECTION 4. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2112.



Report Title:

HTDC; Sustainable Aviation Fuel Program; Environmental Response, Energy, and Food Security Tax; Appropriation

Description:

Establishes the sustainable aviation fuel program to provide matching grants to any small business in Hawaii that is developing products related to sustainable aviation fuel or commercial aviation operations greenhouse gas reduction. Appropriates funds. Takes effect on 7/1/2112. (SD1)

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