

STAND. COM. REP. NO. **69**

Honolulu, Hawaii

FEB 10 2015

RE: S.B. No. 717
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 717 entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the requirement that gasoline for motor vehicles sold in the State include ten percent ethanol.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and Hawaii Independent Energy, LLC.

Your Committee finds that since 2006, Hawaii has required that gasoline sold in the State include ten percent ethanol. However, despite dozens of biomass, biodiesel, and ethanol facilities that have been proposed for Hawaii, no ethanol plants currently exist in the State. The requirement of blending ethanol into Hawaii's gasoline does not produce any economic benefit for the State, and the import of ethanol creates an economic burden for state residents. The repeal of the ethanol gasoline requirement will ensure that any added costs associated with ethanol blending will not affect gasoline price and supply.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

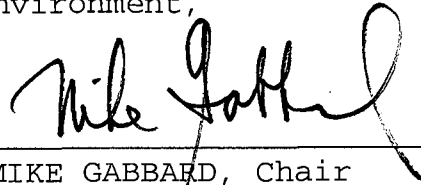
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As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 717, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



