
A BILL FOR AN ACT

RELATING TO ETHANOL.

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

1 SECTION 1. The legislature finds that in some states the
2 mandated use of renewable fuels has created some economic
3 benefit because those states are able to produce or cheaply
4 import renewable fuels. However, despite dozens of biomass,
5 biodiesel, and ethanol facilities that have been proposed for
6 Hawaii, no ethanol plants currently exist in the State.

7 Since 2006, Hawaii has required that gasoline sold in the
8 State include ten per cent ethanol. While the intent of this
9 requirement was to move Hawaii towards using increased amounts
10 of alternative fuels as well as to provide economic benefits to
11 the state through the establishment of ethanol producing
12 facilities, it appears that Hawaii has yet to experience any
13 economic benefits from the requirement of blending ethanol into
14 Hawaii's gasoline as no facility to produce biomass, biofuel, or
15 ethanol has been established in the State. Further, it has been
16 suggested that the import of ethanol to meet Hawaii's ethanol
17 requirement for gasoline creates an economic burden for state



1 residents, and that eliminating Hawaii's ethanol requirement
2 would be beneficial to the State as a whole.

3 However, questions remain as to what impacts, if any,
4 Hawaii's ethanol requirement has had on the residents of the
5 State, and what the effects would be if the ethanol requirement
6 were to be repealed. A study of the repeal of the requirement
7 that gasoline for motor vehicles sold in the State include ten
8 per cent ethanol and the effects such a repeal would have on the
9 people of this State would answer these questions.

10 The purpose of this Act, among other things, is to require
11 the petroleum advisory council to study the effects a repeal of
12 the requirement that gasoline for motor vehicles sold in the
13 State include ten per cent ethanol would have on the health,
14 safety, and welfare of the people of this State.

15 SECTION 2. Section 486J-21, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) There is established within the department for
18 administrative purposes a voluntary petroleum advisory council,
19 which shall be convened at the director's discretion and shall
20 consist of the following [~~eleven~~] thirteen members:

21 (1) Two lessee retail service station dealers;



- 1 (2) Two independent retail service station dealers;
- 2 (3) Two representatives of petroleum jobbers;
- 3 (4) Two representatives of petroleum refiners;
- 4 (5) One representative from the department of commerce and
5 consumer affairs;
- 6 (6) One representative from the department of business,
7 economic development, and tourism; [~~and~~]
- 8 (7) One representative from the department of the attorney
9 general [~~-~~];
- 10 (8) One representative from the biofuel industry; and
- 11 (9) One representative from the biotechnology industry."

12 SECTION 3. The petroleum advisory council established
13 under section 486J-21, Hawaii Revised Statutes, shall conduct a
14 study on the impacts that section 486J-10, Hawaii Revised
15 Statutes, which requires that gasoline sold in Hawaii for use in
16 motor vehicles contain ten per cent ethanol, has had on the
17 state, as well as the effects of repealing this requirement.
18 The study shall include any economic impacts that would occur as
19 a result of the repeal of the ethanol requirement. The study
20 shall also review the federal renewable fuel standard and how



1 Hawaii would be affected if Hawaii's ethanol requirement were to
2 be repealed.

3 The petroleum advisory council shall submit a report of its
4 findings and recommendations, including any proposed
5 legislation, to the legislature no later than twenty days prior
6 to the convening of the regular session of 2016.

7 SECTION 4. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on July 1, 2015.



Report Title:

Ethanol; Motor Vehicles; Gasoline; Study

Description:

Adds two individuals from the biotech and biofuel industries to the Petroleum Advisory Council. Requires the Petroleum Advisory Council to study the effects that repealing the requirement that gasoline sold in the State for use in motor vehicles be composed of ten percent ethanol would have on Hawaii. Requires a report. (SB717 HD1)

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