THE SENATE
THIRTY-FIRST LEGISLATURE, 2021
STATE OF HAWAII

A BILL FOR AN ACT

RELATING TO THE ENVIRONMENT.

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

PART I

SECTION 1. The legislature finds that the use of fossil fuels is the State's primary contributor to greenhouse gas emissions. These emissions cause climate change, which poses a serious threat to the State's economic well-being, public health, infrastructure, and environment. The State's dependence on fossil fuels also drains the economy of billions of dollars each year, makes residents vulnerable to the volatility of oil prices, and puts residents at increased risk in the event of a natural disaster. Thus, Act 15, Session Laws of Hawaii 2018, was enacted to establish a goal for the State's economy to become carbon neutral by 2045.

The legislature further finds that the transportation sector accounts for the use of over two-thirds of the oil imported into the State. The legislature notes that, for ground transportation, electric vehicles provide a viable, cost-effective alternative to vehicles that run on fossil fuels.
For state-owned transportation fleets, the transition to electric vehicles will bring with its considerable cost savings because of lower costs to operate and maintain these vehicles. With the impacts of the COVID-19 pandemic on the state budget, it is imperative that the State take advantage of all opportunities for savings, and the electrification of state fleets to the extent possible is one of these opportunities.

The purpose of this part is to begin the transition to one hundred per cent clean ground transportation in the State by establishing a goal for the reduction and ultimate elimination of the use of fossil fuels for ground transportation by 2045, and a goal for the State to lead by example by transitioning to one hundred per cent of light duty vehicles powered by renewable energy sources by 2035.

SECTION 2. Chapter 103D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§103D—Other motor vehicle requirements. (a) The procurement policy for all agencies purchasing or leasing medium- and heavy-duty motor vehicles shall be to seek vehicles
that reduce dependence on petroleum-based fuels that meet the needs of the agency, where feasible and cost-effective.

Priorities for selecting vehicles for lease or purchase shall be as follows:

1. Electric or plug-in hybrid electric vehicles and fuel cell electric vehicles;
2. Other alternative fuel vehicles;
3. Hybrid electric vehicles; and
4. Vehicles that are identified by the United States Environmental Protection Agency in its annual "Fuel Economy Leaders" report as being among the top performers for fuel economy in their class.

(b) Vehicles shall not be larger than necessary for their intended functions."

SECTION 3. Chapter 225P, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§225P— Climate change mitigation. (a) It shall be the goal of the State to reduce emissions that cause climate change and build energy efficiencies across all sectors, including decarbonizing the transportation sector."
(b) There is established a clean ground transportation target, across all business sectors of the State, to attain a goal of one hundred per cent of light duty vehicles powered by renewable energy sources by December 31, 2045, and for light-duty state-owned vehicles by December 31, 2035."

SECTION 4. Chapter 264, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§264- Clean ground transportation goal. The department of transportation, in collaboration with the Hawaii state energy office, shall develop strategies to transition all light-duty motor vehicles, both public and private, in the State to meet the clean ground transportation target established pursuant to section 225P-(b)."

SECTION 5. Section 103D-412, Hawaii Revised Statutes, is amended to read as follows:

"§103D-412 Light-duty motor vehicle requirements. (a) The procurement policy for all agencies purchasing or leasing light-duty motor vehicles shall be to reduce dependence on petroleum for transportation energy[.] and meet the following clean ground transportation goals:
(1) Thirty per cent of light-duty motor vehicles of each fleet shall be powered by renewable energy sources by December 31, 2025;

(2) Sixty per cent of light-duty motor vehicles of each fleet shall be powered by renewable energy sources by December 31, 2030; and

(3) One hundred per cent of light-duty motor vehicles of each fleet shall be powered by renewable energy sources by December 31, 2035.

(b) Beginning January 1, 2010, all state and county entities, when purchasing new vehicles, shall seek vehicles with reduced dependence on petroleum-based fuels that meet the needs of the agency. Priority for selecting vehicles shall be as follows:

(1) Electric or plug-in hybrid electric vehicles and fuel cell electric vehicles;

(2) Other alternative fuel vehicles;

(3) Hybrid electric vehicles; and

(4) Vehicles that are identified by the United States Environmental Protection Agency in its annual "Fuel
Economy Leaders' report as being among the top performers for fuel economy in their class.

(c) Vehicles shall not be larger than necessary for their intended functions.

(d) For the purposes of this section:

"Agency" means a state agency, office, or department.

"Alternative fuel" means alcohol fuels, mixtures containing eighty-five per cent or more by volume of alcohols with gasoline or other fuels, natural gas, liquefied petroleum gas, hydrogen, biodiesel, mixtures containing twenty per cent or more by volume of biodiesel with diesel or other fuels, other fuels derived from biological materials, and electricity provided by off-board energy sources.

"Covered fleet" has the same meaning as contained in 10 Code of Federal Regulations Part 490 Subpart C.

"Excluded vehicles" has the same meaning as provided in 10 Code of Federal Regulations section 490.3.

"Fuel cell electric vehicle" means a zero-emission electric vehicle that uses a fuel cell to convert hydrogen gas and oxygen into electricity that is used in a vehicle powertrain for propulsion.
"Light-duty motor vehicle" has the same meaning as contained in 10 Code of Federal Regulations Part 490, not including any vehicle incapable of traveling on highways or any vehicle with a gross vehicle weight rating greater than eight thousand five hundred pounds.

(e) Agencies may apply to the chief procurement officer for exemptions from the requirements of this section to the extent that the vehicles required by this section are not available or do not meet the specific needs of the agency; provided that life cycle vehicle and fuel costs may be included in the determination of whether a particular vehicle meets the needs of the agency. Estimates of future fuel costs shall be based on projections from the United States Energy Information Administration.

(f) Vehicles acquired from another state agency and excluded vehicles are exempt from the requirements of this section but shall be included in the calculation of the clean ground transportation goals established under subsection (a).

(g) Nothing in this section is intended to interfere with the ability of a covered fleet to comply with the vehicle
purchase mandates required by 10 Code of Federal Regulations
Part 490 Subpart C."

SECTION 6. Section 196-9, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) With regard to motor vehicles and transportation fuel, each agency shall:

(1) Comply with Title 10, Code of Federal Regulations, Part 490, Subpart C, "Mandatory State Fleet Program", if applicable;

(2) Comply with all applicable state laws regarding vehicle purchases;

(3) Once federal and state vehicle purchase mandates have been satisfied, purchase the most fuel-efficient vehicles that meet the needs of their programs; provided that life cycle cost-benefit analysis of vehicle purchases shall include projected fuel costs;

(4) Purchase alternative fuels and ethanol blended gasoline when available;

(5) Evaluate a purchase preference for biodiesel blends, as applicable to agencies with diesel fuel purchases;

(6) Promote efficient operation of vehicles;
(7) Use the most appropriate minimum octane fuel; provided that vehicles shall use 87-octane fuel unless the owner's manual for the vehicle states otherwise or the engine experiences knocking or pinging;

(8) Beginning with fiscal year 2005-2006 as the baseline, collect and maintain, for the life of each vehicle acquired, the following data:

(A) Vehicle acquisition cost;

(B) United States Environmental Protection Agency rated fuel economy;

(C) Vehicle fuel configuration, such as gasoline, diesel, flex-fuel gasoline/E85, and dedicated propane;

(D) Actual in-use vehicle mileage;

(E) Actual in-use vehicle fuel consumption; and

(F) Actual in-use annual average vehicle fuel economy; and

(9) Beginning with fiscal year 2005-2006 as the baseline with respect to each agency that operates a fleet of thirty or more vehicles, collect and maintain, in addition to the data in paragraph (8), the following:
(A) Information on the vehicles in the fleet, including vehicle year, make, model, gross vehicle weight rating, and vehicle fuel configuration;

(B) Fleet fuel usage, by fuel;

(C) Fleet mileage; and

(D) Overall annual average fleet fuel economy and average miles per gallon of gasoline and diesel[–]; and

(10) Plan and coordinate vehicle acquisition to meet the following clean ground transportation goals:

(A) Thirty per cent of light-duty motor vehicles of each fleet shall be powered by renewable sources by December 31, 2025;

(B) Sixty per cent of light-duty motor vehicles of each fleet shall be powered by renewable sources by December 31, 2030; and

(C) One hundred per cent of light-duty motor vehicles of each fleet shall be powered by renewable sources by December 31, 2035."
SECTION 7. Section 196-42, Hawaii Revised Statutes, is amended to read as follows:

"§196-42 State support for achieving alternate fuels standards[†-] and clean ground transportation goals. (a) The State shall facilitate the development of alternate fuels and support the attainment of a statewide alternate fuels standard of ten per cent of highway fuel demand to be provided by alternate fuels by 2010, fifteen per cent by 2015, twenty per cent by 2020, and thirty per cent by 2030. For purposes of the alternate fuels standard, ethanol produced from cellulosic materials shall be considered the equivalent of two and one-half gallons of noncellulosic ethanol. "Alternate fuels" shall have the same meaning as contained in 10 Code of Federal Regulations Part 490; provided that it shall also include liquid or gaseous fuels produced from renewable feedstocks such as organic wastes, or from water using electricity from renewable energy sources.

(b) The State shall support the attainment of the clean ground transportation target established pursuant to section 225P-
PART II

SECTION 8. Chapter 103D, Hawaii Revised Statutes, is amended by adding a new section to part IV to be appropriately designated and to read as follows:

"§103D- Construction projects, roadway materials; carbon footprint reduction. When purchasing building materials for the construction of new roads, state and county agencies shall purchase building materials that reduce the carbon footprint of the project for use on the project, where the purchase of the building materials is feasible and cost-effective."

PART III

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 10. This Act shall take effect upon its approval.
S.B. NO. 500

Report Title:
Clean Ground Transportation Goals; Fleet Procurement; Road Construction; Carbon Footprint Reduction

Description:
Establishes clean ground transportation goals for state agencies on a staggered basis until achieving a 100 per cent light-duty motor vehicle clean fleet by 12/31/2035, and all light-duty motor vehicles in the State by 12/31/2045. Requires the procurement policy for all agencies purchasing or leasing medium- and heavy-duty motor vehicles to seek vehicles that reduce dependence on petroleum-based fuels that meet the needs of the agency, where feasible and cost-effective. Requires state and county agencies to purchase building materials that reduce the carbon footprint of the project for use on the construction of new roads, where feasible and cost-effective.

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