

ACT 238

H.B. NO. 1800

A Bill for an Act Relating to Climate Mitigation.

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

PART I

SECTION 1. The legislature finds that climate change is the overriding challenge of the twenty-first century. Climate change poses immediate and long-term threats to Hawaii's economy, public health, natural resources, environment, and way of life.

The legislature further finds that numerous measures were passed in recent decades to address climate change and reduce the State's contribution to climate-warming greenhouse gas emissions. In the regular session of 2021, Senate Concurrent Resolution No. 44, S.D. 1, H.D. 1, was adopted, making Hawaii the first state in the nation to declare a climate emergency and calling for a state-wide commitment to a decarbonized economy. Through Act 74, Session Laws of Hawaii 2021, the legislature set a goal to transition all light-duty state fleet vehicles to be zero-emissions by 2035. Act 15, Session Laws of Hawaii 2018, established a zero emissions clean economy target for the State to sequester more atmospheric carbon and greenhouse gases than emitted by no later than 2045. With Act 97, Session Laws of Hawaii 2015, a one hundred per cent renewable portfolio standard for electric utilities was established, requiring one hundred per cent of the State's electricity to be generated from renewable energy sources by 2045, making Hawaii the first state to set out to eliminate fossil fuels from the electric grid.

The legislature additionally finds that fifteen years ago, Act 234, Session Laws of Hawaii 2007, was passed, which established a goal to reduce state-wide greenhouse gas emissions to below 1990 levels by 2020. The 2020 goal was achieved, but it is notable that there are no decarbonization targets in Hawaii law until 2045, which is twenty-three years into the future. The legislature believes that it is imperative to continue to build on Hawaii's momentum in its climate mitigation efforts by establishing near-term decarbonization targets.

The legislature further finds that the Biden-Harris administration set a nationally determined contribution pursuant to Article 4 of the Paris Agreement for the United States to achieve a fifty to fifty-two per cent reduction in economy-wide greenhouse gas emissions by 2030 compared to 2005 levels. The National Climate Advisor and the White House Office of Domestic Climate Policy, in consultation with the relevant departments and agencies across the federal government, conducted a detailed analysis to set this 2030 target, reviewing a range of pathways for each sector of the economy that produces greenhouse gas emissions, including electricity, transportation, buildings, industry, and the land

sector. As the United States’ national determined contribution is consistent with the Paris Agreement goal of holding the increase in the global average temperature to below two degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius, the State should similarly align its climate policy and decarbonization planning. Furthermore, Act 32, Session Laws of Hawaii 2017, affirmed the State’s commitment to uphold the landmark goals of the Paris Agreement, by stating the “policies to reduce greenhouse gas emissions shall be closely aligned with the climate change principals and goals adopted in the Paris Agreement and Hawaii’s obligations within the expectations apportioned to the United States in the Paris Agreement”.

The legislature also finds that, as the State progresses toward a fully decarbonized economy, the challenges of addressing hard-to-decarbonize sectors will also increase. In order to achieve the goal of a fully decarbonized economy, the State needs to plan ahead and understand the steps that need to be taken to create a carbon-negative economy by 2045, as required by Act 15, Session Laws of Hawaii 2018.

Therefore, the purpose of this Act is to:

- (1) Establish a goal for the statewide greenhouse gas emissions limit to be at least fifty per cent below 2005 levels by 2030; and
- (2) Require and appropriate funds for the Hawaii state energy office to conduct a study to determine Hawaii’s pathway to decarbonization and identify challenges, opportunities, and actions that will be needed to achieve those goals.

PART II

SECTION 2. Section 225P-5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Considering both atmospheric carbon and greenhouse gas emissions as well as offsets from the local sequestration of atmospheric carbon and greenhouse gases through long-term sinks and reservoirs, a statewide target is hereby established to sequester more atmospheric carbon and greenhouse gases than emitted within the State as quickly as practicable, but no later than 2045[-]; provided that the statewide target includes a greenhouse gas emissions limit, to be achieved no later than 2030, of at least fifty per cent below the level of the statewide greenhouse gas emissions in 2005.”

SECTION 3. Section 342B-71, Hawaii Revised Statutes, is amended to read as follows:

“~~§~~**§342B-71** **Statewide greenhouse gas emissions limit, adoption.** (a) A statewide greenhouse gas emissions limit to be achieved by 2020 is hereby established that is equal to or below the level of the statewide greenhouse gas emissions in 1990, as determined by section 3 of Act 234, Session Laws of Hawaii 2007; provided that for the purposes of this Act greenhouse gas emissions from airplanes shall not be included.

(b) The director shall submit a report to the legislature by December 31, 2023, indicating a measurement of the 2005 greenhouse gas emissions in the State, including emissions from airplanes.

(c) The director shall complete a greenhouse gas emissions inventory report each year beginning after 2017 to track emissions and determine the State’s progress in the reduction of greenhouse gas emissions. The department shall make these reports widely accessible, including to the public, as soon as they are available.”

PART III

SECTION 4. (a) The Hawaii state energy office shall analyze pathways and develop recommendations for achieving the State's economy-wide decarbonization goals, including the statewide greenhouse gas emissions limit and goal to sequester more atmospheric carbon and greenhouse gases than emitted by no later than 2045 pursuant to section 225P-5, Hawaii Revised Statutes.

(b) As part of its analysis and development of recommendations, the Hawaii state energy office shall:

- (1) Recommend regulatory or other state actions that will ensure the attainment of the State's decarbonization goals;
- (2) Include measures to reduce emissions from electricity, including accelerating the adoption of clean energy and improving energy efficiency for residential, commercial, and government users;
- (3) Include land use and transportation planning measures aimed at reducing emissions from the transportation sector;
- (4) Recommend state actions to address emissions associated with air travel and shipping, including how to encourage electrification and adoption of alternative fuels;
- (5) Recommend best management practices in the agricultural sector;
- (6) Include long-term carbon sequestration and carbon capture and utilization opportunities;
- (7) Make recommendations to aid in the transition of the state workforce to meet the needs of a decarbonized economy;
- (8) Consider impacts to environmental justice, frontline, and low-income communities and make recommendations for how to mitigate any impacts to these communities and to facilitate a just transition to a decarbonized economy;
- (9) Determine the most cost-effective pathway to decarbonization;
- (10) Rank recommendations based on level of impact, cost, and ease of implementation;
- (11) Make recommendations on whether the goals established pursuant to section 225P-5, Hawaii Revised Statutes, should be adjusted, or if additional interim goals between the completion of the analysis and 2045 should be adopted;
- (12) Examine contributions of different carbon sources, how each source can be reduced, what entities are responsible for the reduction of each source, and how each source factors into the determination of statewide greenhouse gas reduction goals; and
- (13) Include other relevant considerations as deemed appropriate and necessary.

(c) In preparing the analysis, the Hawaii state energy office shall consult and collaborate with other state agencies, the counties, and relevant stakeholders and organizations.

(d) The Hawaii state energy office shall submit a report of its analysis and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2024.

SECTION 5. There is appropriated out of the energy security special fund the sum of \$350,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the Hawaii state energy office to analyze pathways and develop recommendations for achieving the State's economy-wide decarbonization goals, as required pursuant to section 4 of this Act.

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The sum appropriated shall be expended by the Hawaii state energy office for the purposes of this part.

PART IV

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2022.

(Approved July 5, 2022.)