



LATE TESTIMONY

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

H.B. 2863, H.D.1, Relating to Renewable Energy

**Testimony of Chiyome Leinaala Fukino, M.D.
Director of Health**

**February 13, 2008
2:00 pm**

1 **Department's Position:** The Department of Health (DOH) supports the intent of the bill to promote
2 renewable energy and a faster and better efficient permit process. The DOH has some concerns about
3 the transfer of its permitting functions.

4 **Fiscal Implications:** None

5 **Purpose and Justification:** This measure establishes a consolidated process for the approval of permits
6 for the siting, development, construction, and operation of a renewable energy facility. The Director of
7 Department of Business, Economic Development, and Tourism (DBEDT), as the Energy Resources
8 Coordinator, is charged with responsibility of the consolidated permit approval process. The bill
9 transfers permitting functions to DBEDT from various departments.

10 The administration had a bill last year which would have coordinated permitting, and this year
11 the Governor's State of the State address included making permitting easier for renewable energy
12 projects, so we are pleased to see acceptance of the concept. Our department gives priority to
13 processing applications relating to alternative energy projects.

14 A transfer of our department's functions does raise some issues, starting with legal issues. A
15 transfer should not cause the State to lose authority delegated from the U.S. Environmental Protection

1 Agency (EPA) for issuing air and water pollution permits, which will probably be needed for
2 construction and operation of the renewable energy facility. EPA delegated permitting authority to
3 DOH and any transfer to another department will require significant changes in state laws and programs
4 to meet federal requirements. A transfer must also ensure that the State's public trust duties to protect
5 air and water qualities are met. Under Kelly v. Oceanside, the DOH has certain public trust duties now,
6 and any agency taking over DOH permitting authority will assume such duties. A transfer of DOH
7 permitting functions needs a thorough assessment before action.

8 Thank you for the opportunity to testify on this measure.



LATE TESTIMONY

**Committee on Consumer Protection and Commerce
Hawaii State House of Representatives
February 12, 2008
House Bill 2863 HD1 (in support)**

Chair Herkes, Vice-Chair McKelvey and members of the Committee, my name is David Leonard and I am the Chief Operating Officer of Imperium Renewables Hawaii. We are part of the nation's leading producer of environmentally-friendly biodiesel fuel. We are currently running a R&D facility in Seattle focused on next-generation feedstocks such as algae, and have the nation's largest biodiesel processing facility in Grays Harbor, Washington that is currently running on canola oil feedstock.

Imperium Hawaii has been making exciting progress in permitting and designing a major biodiesel production facility at Kalaeloa Barbers Point Harbor. This sister facility to Grays Harbor will make a significant contribution to Hawaii's renewable, sustainable and independent energy future. We would like to thank the City and County of Honolulu, the Department of Transportation-Harbors Division, the Board of Land and Natural Resources, DBEDT and the Hawaii Department of Health for their assistance in the permitting and leasing process for our Hawaii facility.

We have been continuously working on obtaining the necessary permits for our Hawaii facility since late in 2006. Despite our relative success in Hawaii with our permitting process, we strongly believe that House Bill 2863 HD1 would have been of great benefit to us. We went through a similar permitting process in Washington State under a similar program as provided in House Bill 2863 HD1 and the Washington program made a big difference. Imperium Hawaii strongly supports this bill as it will help Hawaii achieve its goals of being more energy independent as soon as possible for all forms of alternative energy, including biodiesel.

Biodiesel is a clean-burning alternative fuel made from oils derived from agricultural crops and can be used in any conventional diesel engine. It can be used in pure form (100% biodiesel) or in a "blended" form, in which it replaces a percentage of petroleum diesel. A U.S. Department of Energy study determined that biodiesel reduces carbon dioxide emissions by more than 50%, compared to petroleum diesel. Imperium's high quality fuel meets or exceeds ASTM D-6751 specifications.

Thank you for the opportunity to testify.

A handwritten signature in black ink, appearing to read "David Leonard".