



**Hawaii
Aquaculture
Association**

To:

THE SENATE
THE TWENTY-FOURTH LEGISLATURE
REGULAR SESSION OF 2008

COMMITTEE ON WAYS AND MEANS
Senator Rosalyn H. Baker, Chair

DECISION MAKING

DATE: Thursday, February 21, 2008
TIME: 9:30 a.m.
PLACE: Conference Room 211, State Capitol
415 South Beretania St

From: Ron Weidenbach, President, Hawaii Aquaculture Association
Phone: 429-3147, Email: hawaiiifish@gmail.com

Re: **SB 2467, SD1, RELATING TO LOANS TO ASSIST AGRICULTURAL AND
AQUACULTURAL INDUSTRIES**

Chair Baker and Members of the Committee:

The Hawaii Aquaculture Association (HAA) strongly supports Senate 2467, SD1, which establishes classes of loans for sustainable agricultural and aquaculture projects.

Aquaculture is one of the fastest growing segments of diversified agriculture in the State, reaching \$21.3M in wholesale product value in 2006. However, this industry is largely comprised of family farm operations that often struggle to make ends meet. Developing sustainable and renewable energy projects is in the best interest of long-term sustainability for both the industry and state, but such ventures will be nearly impossible for aquaculturists without financial support. Eligibility to apply for loans specific to energy projects as well as non-energy related loans allows our aquaculturists to utilize their natural resources and develop new products and processes vital to their continued success.

HAA strongly supports this bill, and encourages the committee to vote for it so that the Hawaii aquaculture industry can continue to expand and contribute increasingly to Hawaii's economy. Thank you for the opportunity to testify.

Testimony before the Senate Committee on

Ways and Means

S.B. 2467 SD1 – Related to Loans to Assist Agricultural and Aquacultural Industries

**Thursday, February 21, 2008
9:30 am, Conference Room 211**

**By Arthur Seki
Director of Technology
Hawaiian Electric Company, Inc.**

Chair Baker, Vice Chair Tsutsui, and Members of the Committee:

My name is Arthur Seki – I am the Director of Technology in the Energy Solutions & Technology Department at Hawaiian Electric Company. I am testifying on behalf of Hawaiian Electric Company (HECO) and its subsidiary utilities, Maui Electric Company (MECO) and Hawaii Electric Light Company (HELCO), hereby referred to collectively as the HECO Utilities.

We support S.B. 2467 SD1 that would establish the Hawaii farm renewable sustainable energy loan program to provide financial assistance to farmers and aquaculturists for developing sustainable energy. Loans can stimulate the development of a local biofuel industry to produce renewable fuel for power generation in Hawaii.

HECO Utilities are committed to exploring and using biofuels in its existing and planned generating units. The use of biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. This commitment by the HECO Utilities is demonstrated by the following initiatives:

- HECO's next power plant (100 MW) on Oahu (located at Campbell Industrial Park) will be 100% biofueled;

- HECO and MECO are partnering with BlueEarth Biofuels to build a 40 million gallon per year biodiesel production plant on Maui;
- MECO tested biodiesel in its diesel engines and combustion turbine at Maalaea power plant and will conduct further tests;
- HECO is developing test plans for a biofuel blend demonstration in a steam boiler generating unit on Oahu;
- HELCO will be testing biodiesel blends in a diesel engine on the Big Island;
- MECO will be testing glycerin (biodiesel by-product) in a Kahului steam boiler on Maui;
- HECO is providing seed funding to the Hawaii Agriculture Research Center (HARC) and the agriculture departments at the University of Hawaii's Manoa and Hilo campuses to conduct biofuel crop research; and
- HECO is examining micro-algae biofuel development that could use carbon dioxide from our power plant stacks.

In conclusion, HECO Utilities support S.B. 2467 SD1 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
THURSDAY, FEBRUARY 21, 2008
9:30 A.M.

SENATE BILL NO. 2467, S.D. 1
RELATING TO LOANS TO ASSIST AGRICULTURAL AND AQUACULTURAL
INDUSTRIES

Chairperson Baker and Members of the Committee:

Thank you for the opportunity to comment on Senate Bill 2467, Senate Draft 1. The Department strongly supports this bill which would create new classes of loans for renewable sustainable projects for farmers and aquaculturists. The department strongly supports the bill as it will assist agricultural and aquaculture operations to become more sustainable. Energy costs for farm and aquaculture operations will continue to rise and this program will allow these operations to generate their own energy to offset some of their costs. In addition, excess energy could be sold to utility companies providing supplemental income for the operations and reduce the State's reliance on fossil fuels.

The bill also allows funding of projects such as food safety and traceability which is increasingly important in today's food supply chain. The program would allow farms and aquaculture operations to undertake these types of projects at a favorable interest rate and allow them to remain competitive.