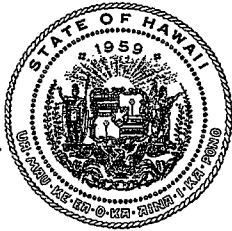


SB 3101



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director

Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON
ENERGY AND ENVIRONMENT**

Tuesday, February 5, 2008

3:00 p.m.

State Capitol, Conference Room 414

in consideration of

SB3101

RELATING TO THE DEFINITION OF RENEWABLE ENERGY PRODUCER.

Chair Menor, Vice Chair Hooser, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports SB3101, an Administration measure, which amends the definition of "renewable energy producer" to allow growers and producers of bioenergy resources to be eligible for direct leases of public land.

We commend the Department of Land and Natural Resources for their understanding and support of Hawaii's energy future, and thank the Committees for hearing this bill.

As described in the legislation, the current definition unintentionally discourages the local production of materials that could be used for the production of energy or biofuels at a different location. The proposed amendment would remove that barrier.

This is a necessary and effective means of encouraging the local production of renewable energy, and we encourage the Legislature to pass this measure.

Thank you for the opportunity to offer these comments.

**Testimony before the
Senate Committee on
Energy and Environment**

**S.B. 3101 – Relating to the Definition
of Renewable Energy Producer**

**Tuesday, February 5, 2008
3:00 pm, Conference Room 414**

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

Chair Menor, Vice Chair Hooser, 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.

We support S.B. 3101 that amends the definition of renewable energy producer.

As you may know, 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;
- MECO tested biodiesel in its diesel engines and combustion turbine at Maalaea power plant and will conduct further tests;

- HECO and MECO are partnering with BlueEarth Biofuels to build a 40 million gallon per year biodiesel production plant on Maui;
- 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; and
- 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.

In conclusion, HECO Utilities support S.B. 3101 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.