



**Committee On Economic Development and Taxation**

**Hawaii State Senate  
February 12, 2008**

**Senate Bill 3215 (in support with suggested amendment)**

Chair Fukunaga, Vice Chair Espero and members of the Committee: my name is David Leonard and I am the chief operating officer of Imperium Renewables Hawaii LLC. Imperium Renewables is a leading producer of environmentally-friendly biodiesel fuel and operates the nation's largest biodiesel refinery in Washington State.

In Hawaii, Imperium has been making exciting progress in building a major biodiesel production facility at Kalaeloa Barbers Point Harbor. This facility will make a significant contribution to Hawaii's renewable, sustainable and independent energy future, and we are committed to utilizing local feedstock when and where it is feasible. To that end, we have already invested substantial time, effort and funds in research on algae and plants that may be suitable for production in Hawaii.

Imperium Renewables supports this bill but requests an amendment to the last paragraph of Section 4. The current language excludes oil seed crushing facilities that are integrated with a biodiesel production facility from a tax exemption provided to other functions associated with biodiesel production. This distinction is not consistent with current market models and may limit the progress of developing indigenous feedstock. We recommend that the last phrase in section 4 ("and may not be integrated with a biodiesel production facility") be deleted.

Biodiesel is a clean-burning alternative fuel made from oils derived from farm 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.