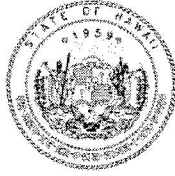


LINDA LINGLE
Governor



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

SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE K. OKAMOTO
Deputy to the Chairperson

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE
THURSDAY, MARCH 27, 2008
4:00 P.M.
Room 308

SENATE BILL 3215, S.D. 3, H.D. 1
RELATING TO BIODIESEL

Chairperson Oshiro and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 3215, S.D. 3, H.D. 1. We are strongly opposed to Part II, (b) (1, 2, 3) which directs the Hawaii Department of Agriculture (HDOA) to purchase biodiesel feedstock and biodiesel fuel and biodiesel fuel blends, and to determine the disposition of the purchased feedstock and fuel.

In 2006, the Rocky Mountain Institute (RMI) prepared a briefing book for the Department of Business, Economic Development and Tourism on biofuel and biodiesel production in Hawaii and identified a target of 14.2 million gallons of biodiesel to be produced by 2020. Depending upon the crop, this target could require between 55 million-114 million pounds of biodiesel feedstock per year by 2020. HDOA would require significant funding to purchase the crop and CIP funds to build storage facilities as well as personnel with expertise in fuel trading and processing to negotiate a contract with a processor of the feedstock. Or HDOA would need to broker the crop to a processor so HDOA does not take physical delivery of the crop. In either case, HDOA does not have the specialized personnel or funds to carry out these transactions and its involvement only adds cost and time. HDOA would also have to have access to

feedstock producers' cost of production records to determine the offering price. This is likely to vary from producer to producer and will require additional accounting staff.

Transportation is another issue. Is there sufficient carrier and port capacity to transport Neighbor Island feedstock to the storage or processing site? Who will pay for the transportation cost - HDOA or the feedstock producer? What will happen if HDOA cannot find a processor for the feedstock at a price that covers the cost of purchase, transportation, storage and overhead?

Similar problems arise if HDOA is required to purchase biodiesel fuel offered at a "fair and reasonable price". What if HDOA and the in-state processor(s) cannot agree on a price? HDOA will be at a severe disadvantage if the processor(s) knows that HDOA does not have an alternate buyer. Unless the processor is prepared to open up their accounting and production records, it will be impossible to determine what is a "fair and reasonable price." The technical problems and cost of storage, transportation, and end use are also not addressed in the bill. For example, to build storage tanks to hold 14.2 million gallons of biodiesel would cost approximately \$15 million dollars. This amount would not include piping, land, or loading equipment.

The private sector brings specialized skills and far more technical resources than the State, and can better assess the risks, make the necessary investments, and if their analysis is correct, reap the rewards. We strongly believe that the private sector is best positioned to assume the responsibilities proposed for HDOA in Part II, (b) (1, 2, 3).

We recommend the following changes to this measure:

On page 4, delete lines 17-22; on page 5, delete lines 1-14.

~~"(1) Purchasing biodiesel feedstock crops grown in the
state that are offered by biodiesel feedstock~~

~~producers at a price of up to 15 cents per pound above cost until December 31, 2018; provided that the total amount expended shall not exceed an aggregate total of \$ _____ per fiscal year;~~

~~(2) Purchasing biodiesel fuel and biodiesel fuel blends that are produced in the state using feedstock grown in the state and offered by fuel producers at a fair and reasonable purchase price that shall take into consideration the expenses incurred by and profit margin of the producer; provided that the total amount expended shall not exceed an aggregate total of \$ _____ per fiscal year; and~~

~~(3) Determining the disposition of the biodiesel feedstock crop and biodiesel fuel and biodiesel fuel blends purchased under this program."~~

On page 6, lines 1-9, the following changes:

~~"(1) The amount of biodiesel feedstock crops purchased under the energy feedstock program and the dollar amount expended;~~

~~(2)~~ **(1)** The amount **and disposition** of biodiesel fuel and biodiesel fuel blends purchased **by State agencies, if**

any, under the energy feedstock program and the dollar amount expended; and

(3) The disposition of the feedstock crops and biodiesel fuel and biodiesel fuel blends purchased under the energy feedstock program."

We would also like to offer the comment that we believe that biofuel and food production deserve to be treated equally and that if the board of land and natural resources is authorized to give biofuel producers the ability to directly negotiate for public agricultural lands than the same privilege should be given to food producers. Also we believe that the same preference for use of locally produced biodiesel fuels in State vehicles should be extended to Hawaii produced agricultural products in State operated schools, hospitals, correctional centers and other State supported institutions.

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

On Senate Bill 3215, Senate Draft 3, House Draft 1 – RELATING TO BIODIESEL

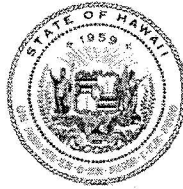
**BEFORE THE HOUSE COMMITTEE ON
FINANCE**

March 27, 2008

Senate Bill 3215, Senate Draft 3, House Draft 1 provides various market stimulation incentives for the development of biodiesel, including making state agricultural lands available for biodiesel fuel crops; establishing a state biodiesel feedstock crop and biodiesel fuel purchasing program; and creating tax exemptions for biomass crushing facilities and lands used for biodiesel feedstock crops. The Department of Land and Natural Resources recognizes the intent of this legislation but prefers that the Legislature consider and pass House Bill 3179 (RELATING TO THE DEFINITION OF RENEWABLE ENERGY PRODUCER), a similar measure proposed by the Administration that amends the definition of "renewable energy producer" to include growers and producers of organic materials used primarily for the production of biofuels or other fuels, so that they will be eligible for direct leases of public land.

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

HOUSE COMMITTEE ON FINANCE

TESTIMONY REGARDING SB 3215 SD 3 HD 1 RELATING TO BIODIESEL

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: MARCH 27, 2008

TIME: 4:00PM

ROOM: 308

This legislation, among other things, amends Section 235-7, HRS, to include an income tax exemption for income derived from the operation of an oil seed crushing facility.

The Department of Taxation's (Department) concerns on the tax component of this measure have been eliminated.

BIODIESEL GENERALLY

The Department is of the position that stimulating the biodiesel industry is a viable means of minimizing Hawaii's dependency on foreign oil. This bill serves as another step in the right direction for minimizing Hawaii's dependence on fossil fuels.

TECHNICAL CONCERNS RESOLVED

The Department appreciates the amendments made by the prior joint committee. The Department's technical issues have been resolved.

REVENUE IMPACT

This bill will result in an indeterminate revenue loss.

There is a 2006 study done by the Hawaii Agricultural Research Center that discusses all the potential feedstock crops that can grow in Hawaii, but based on this study and discussions with DBEDT, these viable crops are not currently in production. The bill applies to companies that use locally produced feedstock crops in the production of their biodiesel fuel.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Exclusion for oil seed crushing facility for biodiesel

BILL NUMBER: SB 3215, HD-1

INTRODUCED BY: House Committees on Energy and Environmental Protection and Water, Land, Ocean Resources and Hawaiian Affairs and Agriculture

STAFF COMMENTS: Amends HRS section 235-7 to exclude from state income taxation 100% of the amounts derived from an oil seed crushing facility that processes oil seed produced or grown in the state for biodiesel production in the state.

Makes other amendments relating to establishing incentives for the production of biodiesel in the state.

The amendments made to HRS chapter 235 by this act shall not be repealed when that section is reenacted on January 1, 2013 pursuant to Act 166, SLH 2007.

EFFECTIVE DATE: January 1, 2020

STAFF COMMENTS: This measure proposes an incentive to encourage the production of biodiesel in the state in the form of an income tax exclusion for an oil seed crushing facility which is used to produce the biomass necessary to produce biodiesel.

It should be noted that the use of the tax system to provide financial assistance in the form of an income tax exclusion is an inefficient use of the tax system. This exclusion amounts to nothing more than a subsidy as there is no obvious undue burden of taxes. If one project is blessed with a preferential tax treatment, why shouldn't the next proposal be just as serious a consideration? As such, project specific tax credit proposals violate the integrity of the tax system, setting a precedent with bad tax policy.

Again, it should be noted that this measure proposes an exclusion of income from the net income tax. It should be remembered, companies only pay taxes when they make a profit, that is income is greater than expenditures. As such, this bill rewards a company for making profits while all other businesses that make profits must pay the income tax. If this operation were not profitable, then income tax would not apply. It would only seem fair that some of the profits made by the company go to pay for the public services provided to that business and its employees. Further, it should be noted that by exempting the business from the state income tax on its profits, it exposes more of those profits to the federal income tax where the rates are much higher. Thus, in the end, this exemption would end up sending more tax dollars to Washington while leaving Hawaii empty handed.

It should be remembered that giving tax breaks to one select group of taxpayers comes at the expense of all other taxpayers. As such, it is an insult to all other taxpayers that they are not deserving of such tax preferences. Rather than singling out a particular area for tax relief, concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

SB 3215, HD-1 - Continued

If lawmakers want to subsidize this specific project, then an appropriation of funds is far more accountable as taxpayers will then know who is to receive the subsidy, how much is being spent and then they can then judge whether or not this is an appropriate use of state taxpayer dollars.

Finally, as we are all learning the efficacy of using biomass fuels has now been brought into question where some studies show that the road to the production and use of biomass could produce far more greenhouse gases than biomass purportedly saves. Granting tax breaks to technologies that have yet to be proven to be beneficial is like handing out good grades for homework poorly done.

Digested 3/25/08

Testimony before the House Committee on

Finance

S.B.3215 SD3 HD1 – Relating to Biodiesel

**Thursday, March 27, 2008
4:00 pm, Conference Room 308**

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

Chair Oshiro, Vice Chair Lee, 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.3215 SD3 HD1 that would provide incentives for biodiesel development in Hawaii.

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; 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.3215 SD3 HD1 as a way to stimulate the development of locally produced biofuels.

Thank you for the opportunity to present this testimony.

To: House Sergeant-at-Arms—Please provide provide 20 copies.

COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

DATE: Thursday, March 27, 2008
TIME: 4:00 PM
PLACE: Conference Room 308
RE: SB 3215 Relating to Biodiesel

FROM: Bryan Collins, Pacific Biodiesel

Aloha Honorable Representatives,

I am writing in support of SB 3215 which will provide much needed incentives for farmers to begin growing crops here in Hawaii to be utilized for truly local and sustainable biodiesel production. A similar program was put in place last year in Oregon in cooperation with an Oregon based company which Pacific Biodiesel partially owns and operates. In its' first year, The program has successfully stimulated Oregon farmers to produce canola crops which are converted into biodiesel and used in all state owned vehicles within the city of Portland. We hope that this bill will generate even greater successes in Hawaii.

In order to strengthen the effectiveness of the bill, I would like to request an amendment to Part II, section 4 of the bill. Based on consultations with DBEDT, the Department of Agriculture, and the State Procurement Department; I request that the current text of Part II section 4 be removed in it's entirety and replaced with the language on the third page of this testimony.

Our company has worked for over a decade to create a market for biodiesel in Hawaii and as a result, a demand for locally grown feedstocks now exists. Over the years, we have been approached by numerous Hawaiian farmers interested in growing biodiesel crops, but the uncertainty inherent in an untested agricultural market has proved to be too risky for them to proceed. The absence of a mature and diverse agricultural system combined with the uncertainty regarding crop yields and cultivation practices has prevented local farmers from planting crops for use in biodiesel production. This bill will create a small but secure scenario for local farmers to plant biodiesel crops and take the first steps towards acquiring the practical knowledge and experience needed in order to effectively create a sustainable biodiesel industry based on local agricultural production. We hope that this 'on the ground' experience and knowledge will be used in tandem with the excellent scientific research already being conducted within the state to rapidly generate a wealth of information which will encourage diverse, locally owned small farming operations throughout Hawaii.

We are committed to expanding our community based model to involve more local farmers and community ownership which will result in biodiesel grown, produced and consumed within the Hawaiian Islands in harmony with our other needs such as food and adequate water supplies. This model optimizes energy security and local economic benefits while minimizing the environmental impacts of the entire biodiesel production cycle. Additionally, the design scale of this model is more adaptable to the needs, capabilities and resources of the community in which a biodiesel plant will

operate.

In conclusion, this bill presents the state with an opportunity to actively increase the use and availability of renewable energy in Hawaii, and is a crucial first step towards increasing the involvement of local farmers in the renewable energy economy we all want for Hawaii

Mahalo,

Bryan Collins

Pacific Biodiesel, Inc.

40 Hobron Avenue

Kahului, Hawaii 96732

Phone (808) 877-3144 www.biodiesel.com

In order to strengthen the effectiveness of the bill, I would like to request an amendment to Part II, section 4 of the bill. Based on consultations with DBEDT, the Department of Agriculture, and the State Procurement Department; I would like to request the following amendment to the bill.

Amendment Request:

Please consider removing Part II, Section 4 of SB3215 in its entirety and replacing it with the following language:

Part II, Section 4.

Biodiesel preference. (a) Notwithstanding any other law to the contrary, contracts for the purchase of diesel fuel or boiler fuel shall be awarded to the lowest responsible and responsive bidders, with preference given to bids for biodiesel blends that contain up to twenty per cent biodiesel that is produced in the state from feedstock grown in the state.

(b.) When purchasing fuel for use in diesel engines, the preference shall be 50 cents per gallon of twenty per cent biodiesel (B20), 25 cents per gallon of 10 per cent biodiesel (B10), or 12.5 cents per gallon of 5 per cent Biodiesel (B5). The preference shall be applied only to the biodiesel portion of the blend.

(c.) When purchasing fuel for use in boilers, the preference shall be 50 cents per gallon of twenty per cent biodiesel (B20), 25 cents per gallon of 10 per cent biodiesel (B10), or 12.5 cents per gallon of 5 per cent Biodiesel (B5). The preference shall be applied only to the biofuel portion of the blend.

(d.) As used in this section, "biodiesel" means a vegetable oil-based fuel that meets ASTM International standard D6751, "Standard Specification for Biodiesel (B100) Fuel Blend Stock for Distillate Fuels", as amended.



MAUI TOMORROW FOUNDATION, INC.

Protecting Maui's Future

Ron
Sturtz
*President
Emeritus*

Judith
Michaels
*Acting
President*

Rob
Parsons
*Executive Vice
President*

Richard
Michaels
Secretary

Lucienne
de Naife

Lance
Holter

Michael
Howden

Maury
King

Ed
Lindsey

Robin
Knox

Ed
Lindsay

Mark
Sheehan

Irene
Bowie
*Executive
Director*

Trip
Lynch
Treasurer

March 27, 2008

Thursday, 03-27-08, 4:00 pm
House Conference Room #308.
Re: SB 3215 Relating to Biodiesel

House Finance Committee
Rep. Marcus R. Oshiro- Chair
Rep. Marilyn B. Lee- Vice Chair

TESTIMONY OF MAUI TOMORROW FOUNDATION, INC.
In support of SB 3215

Aloha Chair Oshiro and members, House Finance Committee;

Maui Tomorrow Foundation has weighed in on renewable energy ideas and initiatives for the past decade. We believe that SB 3215, as written, is worthy of your support as a measure to help Hawaii towards a sustainable energy future.

We extend our caveat, expressed at the opening of this legislative session to key committee members, regarding any use of imported palm oil biodiesel to Hawaii. However, we recognize that the intent of this bill is to provide incentives to produce locally sustainable biodiesel feedstock crops.

In our estimation, this legislation is fair to both potential producers as well as state agencies that would be tasked with overseeing the provisions of this bill.

We urge your support of this measure, and welcome any dialogue or questions you may have at this time.

Sincerely,

Robert Parsons
Executive Vice President

03/26/2008 11:17 18985799180

HOLTER

PAGE 02

74. A Biodiesel Crop Demonstration Project

WHEREAS, renewable energy such as "biodiesel" means a cleaner-burning alternative fuel, produced from domestic, renewable resources; and

WHEREAS, technically speaking, biodiesel is a vegetable oil methyl ester compound containing no petroleum and easily blended with petroleum diesel at any percentage; and

WHEREAS, biodiesel can be produced locally from oilseed crops, contributing to diversified agriculture and sustainable energy; and

WHEREAS, renewable fuel is offered at a stable price unlike fossil fuels; and

WHEREAS, even at a minimal twenty per cent blend, biodiesel significantly reduces emissions and eliminates black smoke, positively impacting congested streets and thoroughfares, particularly for pedestrians; and

WHEREAS, the current success of and demand for biodiesel can stimulate agriculture, which has implications for the future in sustainable energy solutions (reducing dependence on foreign oil), diversified agricultural industry, a cleaner, greener environment, and the creation/retention of jobs for a stronger economy; and

WHEREAS, the biodiesel fuel produced commercially in Hawaii meets all United States Environmental Protection Agency and American Society of Testing and Materials standards; and

WHEREAS, biodiesel is better for diesel engines, providing increased lubrication that can lower maintenance costs and even extend the life of the engine; and

WHEREAS, Hawaii fleets are finding biodiesel preferable and even less expensive in many cases, now, therefore,

THEREFORE, BE IT RESOLVED by the Maui and Hawaii State Democratic Party that the State of Hawaii and/or County of Maui are requested to fund a biodiesel crop demonstration project or projects in order to determine the economic feasibility of growing energy crops statewide, with the purpose of sharing such agronomic research with independent farmers, corporate agricultural entities, agricultural researchers, and anyone else interested in furthering energy crops for the benefit of Hawaii citizens, and to encourage the development of biofuel crops throughout Hawaii; and

BE IT FURTHER RESOLVED, that certified copies of this Resolution be transmitted to the Hawaii State Legislature, and to the Mayor and the Chairperson of the Council of each county

BE IT FURTHER RESOLVED, that certified copies of this Resolution be transmitted to the Governor and the State Director of Agriculture.

To: House Sergeant-at-Arms—Please provide provide 20 copies.

COMMITTEE ON FINANCE

Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

DATE: Thursday, March 27, 2008
TIME: 4:00 PM
PLACE: Conference Room 308
RE: SB 3215 Relating to Biodiesel

FROM: Bryan Collins, Pacific Biodiesel

Aloha Honorable Representatives,

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In conclusion, this bill presents the state with an opportunity to actively increase the use and availability of renewable energy in Hawaii, and is a crucial first step towards increasing the involvement of local farmers in the renewable energy economy we all want for Hawaii

Mahalo,

Bryan Collins

Pacific Biodiesel, Inc.

40 Hobron Avenue

Kahului, Hawaii 96732

Phone (808) 877-3144 www.biodiesel.com

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(d.) As used in this section, "biodiesel" means a vegetable oil-based fuel that meets ASTM International standard D6751, "Standard Specification for Biodiesel (B100) Fuel Blend Stock for Distillate Fuels", as amended.

FINTestimony

From: testimony
Sent: Thursday, March 27, 2008 10:50 AM
To: FINTestimony
Subject: FW: in suport of SB3215

From: Lance Holter [mailto:holter@maui.net]
Sent: Wednesday, March 26, 2008 10:54 AM
To: testimony
Cc: Rep. Marcus Oshiro
Subject: in suport of SB3215

To: House Sergeant-at-Arms—Please provide provide 20 copies.
HOUSE COMMITTEE ON FINANCE
DATE: Thursday, March 27, 2008
TIME: 4:00 PM
PLACE: Conference Room 308
RE: SB 3215 Relating to Biodiesel

Chair Oshiro,

The Democratic Party of Hawaii, at the 2006 state convention, accepted and made a part of the Hawaii Democratic Platform resolutions supporting local crops to provide for sustainable biodiesel production. It is appropriate that SB3215 is before you today please support and pass along SB3215.

Aloha,
Lance Holter, Chair Maui Democratic party
PO Box 790656
Paia, HI 96779
Tele 808-579-9442

Attachement; Biodiesel Crop Resolution/Hawaii Democratic party

FINTestimony

From: testimony
Sent: Thursday, March 27, 2008 10:50 AM
To: FINTestimony
Subject: FW: sb 3215 approval

From: Raymond Best [mailto:beststoneworksllc@yahoo.com]
Sent: Wednesday, March 26, 2008 10:43 AM
To: testimony
Subject: sb 3215 approval

House Finance Committee

Marcus R. Oshiro- Chair
Marilyn B. Lee- Vice Chair

Thursday, 03-27-08 at 4:00 pm
House conference room 308.
Re: SB 3215 relating to biodiesel

Representatives,

I am writing in support of SB 3215 which will provide much needed incentives for farmers to begin growing crops here in Hawaii to be utilized for truly local and sustainable biodiesel production. I am a local business owner currently employing three people and I have been using biodiesel for 30,000 miles in my 05 Dodge with great success.

I highly encourage recycling and local production of goods and i believe this bill will promote both. Please consider approving this bill and bills similar. Maui and the rest of the islands need to become cleaner and more self sufficient and by approving this bill will be going in the right direction.

Thank you for your time,
Ray Best
www.beststoneworksllc.com
808-264-6474 cell
808-877-0059 fax

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FINTestimony

From: testimony
Sent: Thursday, March 27, 2008 10:51 AM
To: FINTestimony
Subject: FW: Support for SB 3215

From: Ernest John Messersmith III [mailto:ejm@ejm3.net]
Sent: Wednesday, March 26, 2008 5:14 PM
To: testimony
Subject: Support for SB 3215

House Finance Committee

Marcus R. Oshiro- Chair
Marilyn B. Lee- Vice Chair

Thursday, 03-27-08 at 4:00 pm
House conference room 308.
Re: SB 3215 relating to biodiesel

To Whom It May Concern:

I have been a resident of Maui for seven years and a confirmed driver of a diesel engine car running on biodiesel primarily supplied by Pacific Biodiesel. Pacific Biodiesel has spent the better part of a decade developing the market for biodiesel here on Maui and elsewhere. It is clear however that the current demand is outstripping the supply. Providing an incentive to grow crops locally in order to produce more biodiesel fuel appears to be the best short and perhaps long term solution to this problem. As it is already proven successful in Oregon, supplying all Portland state owned vehicles with biodiesel fuel, I support this legislation fully both from a consumer's point of view and from an environmental point of view.

Best regards,
E. John Messersmith

Ernest John Messersmith III
MSC 206
810 Haiku Road Ste 113
Haiku, HI 96708-4899
United States of America

☎:: +1 808 283 3017
✉:: ejm@ejm3.net
🌐:: www.ejm3.net

3/27/2008

