

SB 485

SGT. AT. Aems.
586-6659

CARBON DIVERSION, INC.
85-979 Farrington Hwy, Suite C
Waianae, Hawaii 96792

HAWAII STATE SENATE – REGULAR SESSION 2009
COMMITTEE ON WAYS AND MEANS

March 2, 2009

9:30 AM - Conference Rm. 211

SB 485, SD1 – RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CARBON DIVERSION INC.

Chair Sen. Donna Mercado Kim, V. C. Sen. Shan S. Tsutsui and Committee Members:

Good morning. My name is Bill Bathe and I am the Chief Financial Officer (CFO) for Carbon Diversion, Inc. (CDI). CDI strongly supports SB 485, SD1 Relating to the Issuance of Special Purpose Revenue Bonds to assist Carbon Diversion Inc. to help develop eight (8) sites and expand its operations on all the main islands in Hawaii. CDI is a local Hawaiian Company that started 2004 in a partnership with the University of Hawaii Foundation. It is a Qualified High Tech Company eligible for Tax Incentive Credits under Acts 221/215.

CDI has developed a full-scale hybrid gasification carbonization process at Campbell Industrial Park in Kapolei, which can reduce various organic feedstock and tires (non-fossil fuel) into carbon products and synthetic gas. CDI anticipates further expansion into other sites including developing a Headquarters Operations Center near its present facility. The saleable products are energy related carbon products and electricity which can, by contract with utilities, be pumped directly into the grid through local distributed generation sites. The CDI process has a negligible effect on the environment and is in compliance with EPA's Air Emission Standards. The CDI Process application results in lessened dependency on fossil fuels, landfills, transportation and disposal costs, and can indirectly provide lower priced electrical energy, among several other environmental benefits.

CDI does embrace respect for the 'aina and principles of caring for the land – Malama 'Aina. In fact, we're working directly with the Dept. of Hawaiian Home Lands (DHHL) to implement a part of our expansion on the Big Island to engage in projects which will process a range of organic streams from Biomass green-wastes and macadamia nut shells, including tires, among others. CDI recently participated in ground-breaking ceremonies with DHHL and other dedicated partners to help restore to Homestead use - thousands of acres of Gorse infested pasturelands on Humu'ula on Mauna Kea by clearing and eventually operating CDI mobile/portable processing facilities to produce carbon and energy products.

Finally, the use of thermal fluid output from the cogeneration facility would be utilized by existing and planned businesses for manufacturing and processing enterprises with attendant economic benefits to the community in which it is located. The use of special purpose revenue bonds represented is consistent with the provisions of Part V, Chapter 39A, of the Hawaii Revised Statutes.

We strongly recommend passage of SB 485, SD1.

Thank you very much for consideration of this bill.

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SB 485, SD1 – RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CARBON DIVERSION INC.

Chair Sen. Donna Mercado Kim, V. C. Sen. Shan S. Tsutsui and Committee Members:

Good morning. My name is Dante Carpenter, Director of Public Affairs for Carbon Diversion, Inc. (CDI). CDI strongly supports SB 485, SD1 Relating to the Issuance of Special Purpose Revenue Bonds to assist Carbon Diversion Inc. in order to help to develop and expand its operations statewide (Companion HB 1627, HD1). CDI is a local Hawaiian Company which has developed a hybrid gasification carbonization process which can reduce various organic feedstock and tires (non-fossil fuel) into carbon products and synthetic gas. The CDI process has a negligible effect on the environment by outperforming the minimum allowed for EPA's Emission Standards.

Moreover, CDI epitomizes the Hawaiian Culture's respect for the 'aina and principles of caring for the land – Malama 'Aina - with one of the most sustainable and clean technologies available in the world today. Further, the mobility and portability of its process facility equipment allows for maximum flexibility of operations with the least possible negative impact(s) to the surrounding area(s) in which reduction of various organic feedstock materials are being processed.

This results in lessened dependency on fossil fuels, landfills, transportation and disposal costs, and can indirectly provide lower priced electrical energy to the grid via local distributed generation.

Further, the use of thermal fluid output from the cogeneration facility would be utilized by existing and planned businesses for manufacturing and processing enterprises with attendant economic benefits to the community in which it is located. Finally, the use of special purpose revenue bonds represented is consistent with the provisions of Part V, Chapter 39A, of the Hawaii Revised Statutes.

We strongly recommend passage of SB 485, SD1.

Thank you very much for consideration of this bill.

Waimea Hawaiian Homesteaders' Association, Inc.

P. O. Box 6753
Kamuela, HI 96743
February 27, 2009

TO: Senator Donna Mercado Kim, Chair
Senator Shan S. Tsutsui, Vice Chair

FROM: M Kapunia

RE: **SB 485, SD1**
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
BONDS TO ASSIST CARBON DIVERSION, INC.
Authorizes the issuance of special purpose revenue bonds to assist
Carbon Diversion, Inc., (SD1)

Date/Time: Monday, March 2, 2009 9:30 a.m.
Place: Conference Room 211
State Capitol, 415 So Beretania St

We testify to **SUPPORT FUNDING FOR THIS BILL.**

We support Carbon Diversion, Inc. and its partners, 'Oiwi Lokahi O Ka Mokupuni O Keawe, the Department of Hawaiian Home Lands, Bacon-Universal, Inc., Pacific Crane & Equipment, Inc., and Innovative Tractor Werkes, LLC., in the Humu'ula Renewable Energy Partnership Project, that project which will:

- 1) Convert the current negative value of the gorse plant into useful and marketable products
- 2) Provide employment opportunities
- 3) Restore unproductive Hawaiian Homes Trust Lands for Beneficiary Stewardship
- 4) Initiate outcomes projected by the Hawaii Clean Energy Initiative
- 5) Contribute towards self-sufficiency of our island economy

This is the only bio-energy feedstock **available** for harvesting and processing, **now**, as we all sit and speak. The Conservation Plan has been approved, the equipment is ready, the well-qualified journeyman operators and trainees are in place, and the approval of the guardians of the 'aina has been manifested .

WE ENLIST YOUR FULL SUPPORT to step forward, join us in "taking the bull by the horns" and together, "*Turn the Problem into an Opportunity*" (by Kelly Greenwell) for everyone's benefit. *Mahalo!*

Phone: (808)890-2311 Email: duke@sandwichisles.net

A Member of the Sovereign Councils of the Hawaiian Homelands Assembly