



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2014**

ON THE FOLLOWING MEASURE:

S.B. NO. 2197, S.D. 2, RELATING TO TAXATION.

BEFORE THE:

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

DATE: Tuesday, March 11, 2014 **TIME:** 8:30 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): David M. Louie, Attorney General, or
Damien A. Elefante, Deputy Attorney General

Chair Lee and Members of the Committee:

The Department of the Attorney General offers the following comments on this bill. The bill may be challenged as violating the Commerce Clause of the United States Constitution because it could be found to discriminate against interstate commerce.

The stated purpose of this bill is to establish a credit for “renewable fuels.” The bill defines “renewable fuels” to mean “fuels produced within the State from renewable feedstocks transported less than two thousand miles from point of origin to the production facility located within the State” (Page 3, lines 5-8) For this purpose, this bill creates an income tax credit requiring and favoring renewable feedstocks produced exclusively in the State.

A cardinal rule of Commerce Clause jurisprudence is that “[n]o State, consistent with the Commerce Clause, may ‘impose a tax which discriminates against interstate commerce . . . by providing a direct commercial advantage to local business.’” Bacchus Imports, Ltd. v. Dias, 468 U.S. 263, 268 (1984), *citing* Boston Stock Exchange v. State Tax Comm’n, 429 U.S. 318, 329 (1977).

In Bacchus, the United States Supreme Court found that an exemption similar to the exemption proposed in this bill violated the Commerce Clause. At issue in Bacchus was the Hawaii liquor tax, which was originally enacted in 1939 to defray the costs of police and other governmental services. Because the Legislature sought to encourage development of the Hawaiian liquor industry, it enacted an exemption from the liquor tax for okolehao (a brandy distilled from the root of the ti plant, an indigenous shrub of Hawaii) and for certain fruit wine manufactured in Hawaii. The United States Supreme Court concluded that the exemption

violated the Commerce Clause because the exemption had both the purpose and effect of discriminating in favor of local products.

The income tax credit requiring the use of renewable feedstocks produced exclusively in the State, as created by this bill, appears to have similar purpose and effect as the exemption that violated the Commerce Clause in Bacchus. The severability clause that was added in section 4, page 18, lines 3-8, does not change this discriminatory purpose and effect to favor local products (feedstock). We suggest removing the requirement that feedstocks be transported less than 2,000 miles from their point of origin.



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
Richard C. Lim
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Tuesday, March 11, 2014
8:30 a.m.
State Capitol, Conference Room 325

in consideration of
SB 2197, SD 2
RELATING TO TAXATION.

Chair Lee, Vice Chair Thielen, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) has concerns about SB 2197, SD2, an unfunded mandate which would establish a renewable fuels production tax credit.

If it is the intent of the Legislature to adopt a renewable fuels production tax credit, DBEDT is concerned that the financial (approximately \$100,000) and human resources (.5 full time equivalent) required to administer the duties of this bill are not included in its current budget. Further, DBEDT prefers the approach taken in Act 270 (13) for the Research Activities Tax Credit.

In addition, we defer to the Department of Taxation on the fiscal impact of the bill and while we defer to the Attorney General on the legal aspects, we are concerned that the definition of "renewable fuels" in the bill appears to be in conflict with the commerce clause of the US Constitution.

Thank you for the opportunity to offer these comments.

NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

FREDERICK D. PABLO
DIRECTOR OF TAXATION

JOSHUA WISCH
DEPUTY DIRECTOR

To: The Honorable Chris Lee, Chair
and Members of the House Committee on Energy & Environmental Protection

Date: Tuesday, March 11, 2014
Time: 8:30 A.M.
Place: Conference Room 325, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: S.B. 2197, S.D.2 Relating to Taxation

The Department of Taxation (Department) appreciates the intent of S.B. 2197, S.D.2, and provides the following information and comments for your consideration with respect to incentives for the production of renewable fuels. The Department is opposed to the adoption of aggregate caps as a measure to limit the tax credit claimed by taxpayers.

S.B. 2197, S.D.2, repeals the existing income tax credit for ethanol facilities and adds a new tax credit for the production of renewable fuels. The tax credit would be certified by the Department of Business, Economic Development, and Tourism, and would have a cap of \$3,000,000 per year and an aggregate cap of \$12,000,000 per year, per taxpayer.

Section 4 of this measure contains a severability clause. The Department defers to the Department of the Attorney General regarding the effectiveness of this severability clause and for a more thorough analysis of the constitutionality of S.B. 2197, S.D.1. The Department notes that tax measures that discriminate against interstate commerce are generally held unconstitutional by the courts. For example, the holding in Bacchus Imports Ltd. v. Dias, 468 U.S. 263 (1984), indicates that provisions that result in taxation that is discriminatory against products imported from outside the State would violate the Commerce Clause of the United States Constitution.

The Department suggests changing or removing the requirements that feedstocks be transported less than 2,000 miles from their point of origin, which would exclude feedstocks from other States, as well as the requirement that fuel produced be distributed within the State.

The Department is opposed to the imposition of aggregate caps as a way to limit tax credits claimed by taxpayers. Aggregate caps are very difficult to administer and lead to confusion among taxpayers, regarding which taxpayers may be eligible for the tax credit during any particular taxable year.

In addition, assuming the amount of this tax credit to be 20 cents and further assuming the amount of the caps to be \$3 million per taxpayer and \$12 million in the aggregate, as reflected in the S.D. 1 version of this measure, the tax credit would roughly correspond to 20 cents per gallon of fuel produced; this means that there is a high likelihood that the caps would be reached with some frequency if large-scale production operations commence in the State.

Thank you for the opportunity to provide comments.

SB2197

Submitted on: 3/7/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Larry Zolezzi	Pacific Biodiesel	Support	No

Comments: Please help Hawaii in the use of more alternative fuels and reduce the importing of fossil fuels.

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SB632

Submitted on: 3/7/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Crawford	Kipahulu Ohana, Inc.	Support	No

Comments: We support more effective enforcement that would come through courts focusing specifically on environmental violations.

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Directors

Jody Allione
Silver Ridge

Joe Boivin
Hawaii Gas

Kelly King
Pacific Biodiesel

Warren S. Bollmeier II
WSB-Hawaii

TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE
HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

SB 2197 SD2, Relating to Taxation

March 11, 2014

Chair Lee, Vice-Chair Thielen and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is an industry-based, nonprofit corporation in Hawaii established in 1995. Our mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically- sound future for Hawaii. One of our goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purposes of SB 2197 SD2 are to: (i) establish a renewable fuels production tax credit to achieve greater energy security for Hawaii, and (ii) repeal the Ethanol Facility Tax Credit.

HREA **strongly supports** this measure with the following comments:

- 1) Meeting Our Clean Energy. This measure supports our clean energy goals by encouraging business opportunities in the production of renewable fuels in Hawaii.
- 2) Merits of a Production Tax Credit ("PTC"). We believe a PTC is the best way for the state to support biofuel production in Hawaii. With a PTC, a "producer" gets paid when the producer actually produces, not when he installs his production facility. This reduces the risk to the state significantly. The PTC has other features that we find attractive:
 - a) we believe the PTC will be easy to administer, including the qualification of biofuel facilities, and documentation of the types and amounts of biofuels produced and sold in Hawaii; and
 - b) the PTC will help facilitate effective producer-ag grower relationships to grow renewable feedstocks for the production of local renewable fuels.
- 3) Recommendations. We recommend that the payment rate per 115,000 BTU be 30 cents (line 7, p.2), the project CAP be \$3M (line 14, p.2), and the aggregate CAP be \$12M (lines 9 and 13, p.13) which were the amounts included in previous versions of this bill. We recommend that the committee pass out this measures with these amendments

Mahalo for this opportunity to testify.

SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Upcountry Mechanics	Upcountry Mobile Mechanic Service, LLC	Support	No

Comments:

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HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Tuesday, March 11, 2014 – 8:30 a.m. – Room 325

Ulupono Initiative Supports SB 2197 SD 2 with amendments, Relating to Taxation

Dear Chair Lee, Vice Chair Thielen and Members of the Committee:

My name is Murray Clay and I am managing partner of the Ulupono Initiative, a Hawai'i-based impact investment firm that strives to improve the quality of life for the people of Hawai'i by working toward solutions that create more locally grown food, increase renewable energy, and reduce/recycle waste. Ulupono invests in projects that have the potential to create large-scale, innovative change.

Ulupono supports SB 2197 SD 2 with amendments, which establishes a renewable fuels production tax credit. In recent years Hawai'i has seen significant growth in renewable energy adoption moving the State towards its renewable energy goals. However, while the state locally produces about 14% renewable electricity, renewable fuels are far less than 1% of fuel use. Electricity represents approximately 40% of energy use in the state while transportation fuels account for a larger share at 51%. This is disturbing as this means we are making the least amount of progress to date in renewable production for the largest share of the state's energy use.

This important bill could be made more effective in achieving Hawai'i's renewable energy goals with three amendments:

1. On page 2, line 15, we would recommend the per taxable year limit be \$6 million per taxable year, which is equivalent to 30 million gallons per year of production. It is important to note that renewable fuel facilities as large as 50 million gallons per year of capacity have been proposed for Hawai'i. Furthermore, ethanol imports alone, at a 10% blend with gasoline, amounted to more than 45 million gallons last year. If we want to replace a meaningful portion of imported fuels with locally produced renewable fuels, the \$6 million limit will be helpful.
2. The listing of renewable feedstocks that begins on page 3, line 18 should be expanded to include, "sugar and starch crops including but not limited to sugar cane and cassava." We understand that the phrase "other agricultural crops" could be interpreted to include sugar/starch crops used in biofuel production, but as oil crops were listed it seems prudent to list sugar & starch crops to avoid doubt. It is important to note that sugar and starch crops can be processed into ethanol today with existing technology meaning zero technology risk.
3. On page 5, line 9, the aggregate limit should be \$18 million. In truth, any aggregate limit will make biofuels production facilities much more difficult to finance since the developer can never be sure his/her project will be completed in time to receive the credit – before the aggregate limit is reached. This means developers will not be able to include such benefits in their financing decisions. Nevertheless, understanding that the committee would prefer



to have a limit to reduce the risk of an unexpectedly large tax credit claim, an \$18 million limit seems reasonable. This would then allow up to three 30 million gallon per year facilities in Hawai'i if amendment #1 above was also adopted. That would be 90 million gallons per year in aggregate or about double the amount of imported ethanol. This would also allow for production facilities on more than one island – for example, one 30 million gallon per year facility on three different islands.

We strongly believe that this bill has the potential to open the door for significant renewable energy growth in Hawai'i. In terms of renewable energy production, transportation fuels are significant behind electricity in “going green”. This bill will help move renewable fuels forward.

Thank you for this opportunity to testify.

Respectfully,

Murray Clay
Managing Partner

Email: communications@ulupono.com



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March 10, 2014

**Testimony on Senate Bill 2197, SD2, Relating to Taxation
SUPPORT**

Committee on Energy and Environmental Protection
Representative Chris Lee, Chair
Representative Cynthia Thielen, Vice Chair
Hearing March 11, 2014 at 8:30 a.m., Conference Room 325

Dear Chair Lee, Vice Chair Thielen and Committee Members,

The management, investors and 70+ employees of the Pacific Biodiesel ohana thank you for introducing Senate Bill 2197 for consideration by the Committee on Energy and Environmental Protection. This bill is crucial to growing the biofuels industry in Hawaii, especially since our state is far behind in our transportation renewable energy goals. We wholeheartedly testify in favor of SB2197, SD2.

This bill supports the State of Hawaii's interest in becoming more energy self-sufficient; however, we do ask you to consider reinstating the funding at \$.30 per 115,000 BTUs and move the effective date to July 1, 2014 to bring maximum benefits to producers at this time of critical need. If SB2197 is passed, it will be one of the most important actions the Legislature can take to incentivize renewable fuel production, support current and future local jobs as well as ensure the future energy security of our island communities.

Pacific Biodiesel employs about 75 people in a wide range of positions from chemists to engineers, office and sales personnel to biodiesel facility operators and farmers, as well as outside consultants. Employment represents \$3 million in wages paid in 2013 and continued operations generate over \$10 million in revenue for the State of Hawaii every year. When biodiesel is purchased from Pacific Biodiesel in Hawaii, over 85% of the money stays in the Hawaii economy, and 98% of the money stays in the US economy. This is truly an economic boost as opposed to the economic drain of foreign petroleum.

It is the goal of all those connected with Pacific Biodiesel to continue with our mission to promote a clean, sustainable energy future through the community-based production of renewable fuels, but we need your help as federal support for biofuel continues to be inconsistent and short-term. Meanwhile, the petroleum industry with whom we must compete enjoys on-going, statutory support at all levels of government.

We ask you to consider our proposed changes and please pass SB2197, SD2, to support the continued efforts of renewable fuel producers throughout the State of Hawaii.

Mahalo,

A handwritten signature in black ink that reads "Kelly T. King".

Kelly King
Vice President
ktk@biodiesel.com

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Renewable fuels production tax credit

BILL NUMBER: SB 2197, SD-2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Replaces the ethanol facility tax credit with a renewable fuels production tax credit of an unspecified amount with unspecified limits. As an alternative, this credit should be repealed and replaced with a direct appropriation as it: (1) would provide some accountability for the taxpayers' funds being utilized to support this effort; and (2) would not be a blank check.

BRIEF SUMMARY: Adds a new section to HRS chapter 235 to establish a renewable fuels production tax credit. The credit shall be allowed to taxpayers producing qualifying renewable fuels provided the credit shall not be claimed for more than five years.

The annual dollar amount of the credit shall be ___ cents per 115,000 British thermal units (BTU) of renewable fuels using the lower heating value produced for distribution in Hawaii; provided that the production by the facility is not less than 15 billion BTUs of renewable fuels per year. Limits the amount of tax credit that may be claimed by a taxpayer to \$___ million per taxable year.

Defines "credit period," "net income tax liability" and "qualifying renewable fuels." "Renewable fuels" are fuels produced in the state from renewable feedstocks transported less than two thousand miles from point of origin to the production facility located in the state. The fuel shall be sold in the state as a fuel and meet the relevant ASTM International specifications for the particular fuel or other industry specifications for liquid or gaseous fuels, including but not limited to: (1) methanol, ethanol, or other alcohols; (2) hydrogen; (3) biodiesel or renewable diesel; (4) other biofuels; or (5) renewable jet fuel or renewable gasoline. Defines "renewable feedstocks" as biomass crops; agricultural residues; oil crops, including but not limited to algae, canola, jatropha, palm, soybean and sunflower; other agricultural crops; grease and waste cooking oil; food wastes; municipal solid wastes and industrial wastes; and animal residues and wastes that can be used to generate energy.

Requires the department of business, economic development and tourism (DBEDT) to verify and certify each claim for the credit including the total amount of credit for each taxable year and the cumulative amount of tax credit during the credit period. The department shall issue a certificate to qualifying taxpayers who shall file the certificate with the department of taxation (DOTax).

If in any year the annual amount of certified credits reaches \$___ million in the aggregate, DBEDT may discontinue certifying credits and notify DOTax.

If the amount of credits exceeds the taxpayer's income tax liability, the excess of credit over liability may be carried over to future years.

Prior to production of any qualifying renewable fuels for the year, the taxpayer is to provide written notice of the taxpayer's intention to begin production of qualifying renewable fuels to DOTax and DBEDT with information on the taxpayer, facility location, facility production capacity, anticipated production start date, and the taxpayer's contact information. The taxpayer shall also provide written notice to the directors of taxation and DBEDT within 30 days following the start of production and include the production start date and expected renewable fuel production for the next year.

In each calendar year during the credit period, the taxpayer shall provide information to the director of DBEDT on the number of BTUs of renewable fuels produced and sold during the previous calendar year, the type of fuels, feedstocks used for renewable fuels production, the number of employees of the facility and each employee's state of residency, and the projected number of BTUs of renewable fuels production for the succeeding year.

Directs the director of DBEDT, following each year in which a credit under this section has been claimed, to submit a written report to the governor and legislature regarding the production and sale of renewable fuels. Requires the department of taxation to prepare the necessary forms to claim the credit, requires the taxpayer to furnish information to validate a claim for the credit.

Repeals the ethanol facility tax credit under HRS section 235-110.3.

EFFECTIVE DATE: July 1, 2050; applicable to tax years beginning after December 31, 2014

STAFF COMMENTS: The legislature by Act 289, SLH 2000, established an investment tax credit to encourage the construction of an ethanol production facility in the state. The legislature by Act 140, SLH 2004, changed the credit from an investment tax credit to a facility tax credit. This measure proposes to replace the ethanol facility tax credit with a renewable fuels production tax credit.

While it has been almost ten years since the credit for the construction of an ethanol plant in Hawaii was enacted and ground has not broken yet, it appears that there are other far more efficient biofuels which could be developed and, therefore, the existing credit, which is specific to ethanol, might not be available to assist in the development of these other types of fuels.

While the idea of providing a tax credit to encourage such activities may have been acceptable a few years ago when the economy was on a roll and advocates could point to credits like those to encourage construction and renovation activities, what lawmakers and administrators have learned in these past few months is that unbridled tax incentives, where there is no accountability or limits on how much in credits can be claimed, are indeed irresponsible as the cost of these credits goes far beyond what was ever contemplated. As an alternative, lawmakers should consider repealing this credit and look for other types of alternate energy to encourage through the appropriation of a specific number of taxpayer dollars. At least lawmakers would have a better idea of what is being funded and hold the developers of these alternate forms of energy to a deliberate timetable or else lose the funds altogether. A direct appropriation would be preferable to the tax credit as it would: (1) provide some accountability for the taxpayers' funds being utilized to support this effort; and (2) not be a blank check.

While ethanol was the panacea of yesterday, lawmakers have learned that there are more minuses to the use of ethanol than there are pluses. Ethanol production demands more energy to produce than using a

traditional petroleum product to produce the same amount of energy, and the demand for feedstock that is used to produce ethanol basically redirects that feedstock away from traditional uses, causing products derived from the feedstock to substantially increase in price.

When judging targeted tax incentives such as this one, we recommend revisiting the criteria proposed by the 2001-2003 Tax Review Commission:

- (i) *Cost-benefit studies.* Cost-benefit studies should be required prior to inaugurating new or revised tax credit programs. Policy makers should use only those programs with quantifiable and demonstrable benefits over costs. Such costs and benefits should not only look at fiscal and economic effects, but should examine social ones as well.
- (ii) *Periodic evaluations* of all tax incentive programs should be required.
- (iii) *Truth and disclosure reporting* separate and apart from a taxpayer's tax returns should generally be required of all taxpayers benefitting from tax incentive programs, making public all aspects of these subsidies for private investment.
- (iv) *Strategic planning.* Embed tax incentives in strategic plans, leveraging as much of the State's scarce resources as possible. Rather than promoting diverse incentives in search of a cohesive strategy, the State should employ only incentives that make strategic sense.
- (v) *Public participation.* Encourage public participation in and comment on tax incentive use to foster public accountability. There should at least be as much public discussion over generous multi-million dollar business incentive tax credits as there is over \$50,000 renovations to school libraries.
- (vi) *Sunset provisions* should be required to ensure that the above processes will be implemented before an incentive can be extended. It should be demonstrated to the Legislature that the targeted benefit to the State was in fact received, what the tax cost of that benefit was, and whether the continuation of the tax incentive is appropriate and necessary.
- (vii) *Enforcement.* Given the magnitude and the complexity of these business incentive tax credits, the small chance of audit, ambiguous statutory requirements as to what can be claimed as a credit, there must be legislative oversight of these credits. In addition, the Department of Taxation must be given sufficient resources to police these credits.

Rather than singling out a particular group for tax relief, concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

Digested 3/10/14



HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 11, 2014, 8:30 A.M.

Room 325

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB 2197 SD2

Chair Lee and members of the Energy & Environmental Protection Committee:

The Blue Planet Foundation supports SB 2197 SD2, expanding the eligibility for biofuel production facilities beyond ethanol. This policy—providing a biofuel facility tax credit to incentivize the needed development and construction of such facilities—will provide greater support for Hawaii’s diverse biofuel production infrastructure.

Biofuels will likely play a major role in Hawaii’s clean energy future—particularly as a substitute for petroleum-based transportation fuels. While much of our work has been focused on renewable energy and reducing electricity use, transportation in Hawaii (cars, trucks, ships, and planes) accounts for approximately two-thirds of the oil consumed. In 2013, Hawaii cars burned nearly 450 million gallons of gasoline. For a typical car, that’s enough gasoline to cover the distance equivalent to over 21,000 round trips to the moon. Transportation fuels in Hawai`i can be made from renewable resources, such as biomass in various forms, algae, and waste products. These materials are neither as scarce nor as expensive as crude oil. Even more importantly, these materials are available here. Hawai`i should set a clear course for a steady, incremental transition to renewable fuels including local and sustainable biofuels.

Blue Planet also supports policy to require that a certain percentage (5%, 10%) of diesel fuel sold in Hawai`i be biodiesel. One of Hawai`i’s entrepreneurial success stories is biodiesel, a fuel that can be created from recycled cooking grease and oils or grown locally, and that can be substituted in place of fossil fuel-based diesel for transportation. Already, this local industry is creating enough fuel to displace 5% of transportation diesel fuel sold in the state. The biofuels industry is also making headway on the state’s use of aviation fuels; HawaiiBioenergy has completed an agreement with Alaska airlines to power Hawai`i flights with biofuels starting as soon as 2018. Blue Planet supports a mandate to blend biodiesel with all locally sold diesel fuel. This smart step will help to continue the momentum for a local industry to supply indigenous clean energy for our transportation energy needs.

Thank you for the opportunity to testify.

info@blueplanetfoundation.org

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Shaun Stenshol	Maui Recycling Service	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
James Twigg-Smith	Pacific Biodiesel Tech	Support	No

Comments:

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www.REACHhawaii.org

Testimony of ERIK KVAM

President of Renewable Energy Action Coalition of Hawaii

e-mail: Kvam@REACHhawaii.org

In SUPPORT of SB 2197 SD 2 RELATING TO TAXATION

**Before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**

March 11, 2014 8:30 a.m.

Aloha Chair Lee, Vice-Chair Thielen and members of the Committee.

My name is Erik Kvam. I am the President of Renewable Energy Action Coalition of Hawaii (REACH), a trade association whose vision is a Hawaiian energy economy based 100% on renewable sources indigenous to Hawaii.

REACH is in **SUPPORT** of SB 2197 SD 2.

Hawaii is far behind in achieving its renewable goals for transportation. Transportation fuels account for about two-thirds of all the energy consumed in Hawaii. Virtually all of Hawaii's energy for transportation comes from imported fuels.

Without renewable fuel production from sources indigenous to Hawaii, Hawaii will have virtually no fuel available for critical transportation needs when imported fuels stop flowing to Hawaii.

REACH **SUPPORTS** SB 2197 SD 2 – creating a production tax credit of so-many cents per 115,000 BTUs of renewable fuels produced from sources indigenous to Hawaii -- to encourage the development of renewable fuel production from sources indigenous to

Hawaii, so that Hawaii has the transportation fuels it needs when imported fuels stop flowing to Hawaii.

Thank you for providing this opportunity to testify.

SB2197

Submitted on: 3/8/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Chou	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/8/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Mizner	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/8/2014

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Submitted By	Organization	Testifier Position	Present at Hearing
matthias kusch	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/9/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jan Alejandro	Individual	Support	No

Comments:

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SB632

Submitted on: 3/7/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Crawford	Individual	Support	No

Comments: This bill makes sense to have judges who specialize in this area of the law, to help adjudicate cases effectively and in a timely way that deters future violations.

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SB2197

Submitted on: 3/8/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Denise Key	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Dana Shinsato	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/9/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Beth Mathias	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/8/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Doug Olds	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jenna Long	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Leighton	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/7/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Erin Wooldridge	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Russell Grass	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Amber	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/7/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kekoa Kaluhiwa	Individual	Support	No

Comments:

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SB2197

Submitted on: 3/10/2014

Testimony for EEP on Mar 11, 2014 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Terry Hans	Individual	Comments Only	No

Comments: support

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