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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 2198, SD1
RELATING TO RENEWABLE FUELS.

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

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB 2198, SD1, which establishes a task force within DBEDT to perform a feasibility study and propose legislation for locally produced renewable fuels blending mandates, assuming adequate funding levels are provided to support this measure.

Without appropriate resources, DBEDT is unable to support an unfunded mandate. DBEDT estimates that adequate funding for this measure would be \$570,000, covering consulting fees and department staff over a two year period. Should the committee decide to proceed with this measure, we also caution that the additional funding requirement should not replace or adversely impact priorities indicated in our Executive Budget.

Moreover, DBEDT defers to the Public Utilities Commission (PUC) on the regulatory and rate impacts of a potential locally produced renewable fuels mandate, and expresses concern about measures that might usurp the PUC's authority in this regard.

Thank you for the opportunity to offer these comments.

SB2198

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
Kelly King	Pacific Biodiesel Technologies, LLC	Support	Yes

Comments: While not a fan of task forces given the urgency of climate change and the need for action, Pacific Biodiesel supports the intent of this bill to move Hawaii forward with respect to local renewable fuel production. If the task forces is given a clear mandate to focus on how to implement and increase usage rather than "if" it should happen, we believe this legislation will create significant impact and Pacific Biodiesel would look forward to participating in this effort.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Directors

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

SB 2198 SD1, RELATING TO RENEWABLE FUELS

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 2198 SD1 are to: (i) establish the renewable fuels task force within the department of business, economic development, and tourism, (ii) require the renewable fuels task force to perform a feasibility study involving locally produced renewable fuel, and (iii) require the renewable fuels task force to report its findings and recommendations to the legislature

HREA **supports** this measure with the following comments and recommendations:

- 1) Comments. This measure supports our clean energy goals for transportation by supporting a study on renewable fuels which hopefully:
 - a) will result in a collegial discussion of how we might move forward together to increase our use of renewable fuels in Hawaii, and
 - b) provide legislation appropriate to memorialize the results of the feasibility study.
- 2) Recommendations: We recommend the committee pass this measure out to facilitate further discussion on this important subject matter.

Mahalo for this opportunity to testify.

**Comments of
Gary M. Slovin / Mihoko E. Ito
on behalf of
The Alliance of Automobile Manufacturers**

DATE: March 10, 2014

TO: Representative Chris Lee
Chair, Committee Energy & Environmental Protection
Submitted Via EEPTestimony@capitol.hawaii.gov

RE: **S.B. 2198 SD1– Relating to Renewable Fuels**
Hearing Date: Tuesday, March 11, 2014 at 8:30 a.m.
Conference Room: 325

Dear Chair Lee and Members of the Committee,

On behalf of the Alliance of Automobile Manufacturers (“Alliance”) we submit these comments regarding S.B. 2198 SD1.

The Alliance is a trade association of twelve car and light truck manufacturers including BMW Group, Chrysler Group LLC, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche, Toyota, Volkswagen Group of North America, and Volvo.

The Alliance is in **support** of S.B.2198 SD1. The Alliance and its members have invested billions of dollars in developing engines that will use a variety of fuels. These include electric vehicles, full flex vehicles, diesel vehicles that can use biofuels and hydrogen. The manufacturers have also worked hard to make standard vehicles close to emission free with very high miles per gallon. As an example, the Alliance is very involved in the pilot program in California to establish nearly 100 hydrogen fueling stations in certain areas of California.

The Alliance supports the development of bio fuels. As we have noted earlier, such biofuels need to meet standards such that these fuels can be used without harm to diesel engines. And biofuels are being used in diesel engines today. Today, these fuels cannot be used in standard gasoline engines. However, technologies are continuing to be developed in an effort to make the standard motor vehicle less dependent on the use of fossil fuels.

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In recent years, the Alliance has been an active supporter and member of the Transportation Working Group of the Hawaii Energy Policy Forum. We believe that those discussions have been useful as the various stakeholders who have participated have been able to educate themselves and others about the various issues involved with developing alternative fuels. What has been developed so far in terms of gas mileage and the development of alternative fuels could probably not have been anticipated just a few years ago. The Alliance is very interested in participating in further discussions on this important subject and is pleased that it has been named as a member of the task force. Just as we have been active in the Transportation Working Group, the Alliance will be an active participant in the task force and believes that the task force can accomplish a great deal in meeting the objectives of Senate Bill 2198 SD1.

Thank you for the opportunity to submit comments on this bill.