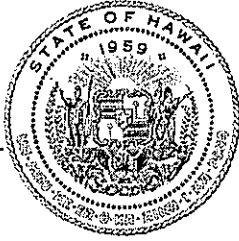


SB 2198

Measure Title: RELATING TO RENEWABLE FUELS.

Report Title: DBEDT; Renewable Fuels Task Force; Biofuel

Description: Establishes the renewable fuels task force within the department of business, economic development, and tourism. Requires the renewable fuels task force to perform a feasibility study involving locally produced renewable fuels. Requires the renewable fuels task force to report its findings and recommendations to the legislature.



**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
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
and the
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT
OPERATIONS AND HOUSING**

February 5, 2014
2:50 p.m.
State Capitol, Conference Room 016

in consideration of
SB 2198
RELATING TO RENEWABLE FUELS.

Chairs Gabbard and Dela Cruz, Vice Chairs Ruderman and Slom, and Members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB 2198, which establishes a task force within DBEDT to perform a feasibility study and propose legislation for locally produced renewable fuels blending mandates.

DBEDT is concerned that the financial and human resources required to administer the duties mandated by this bill are not included in its current 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 to regulate Hawaii's electric utilities and set rates.

Thank you for the opportunity to offer these comments.

We defer to the Department of Taxation on the fiscal impact of this measure and to the Department of Commerce and Consumer Affairs, Securities Commissioner on the impact of specifying a particular business structure.

Thank you for the opportunity to provide these comments.



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
SENATE COMMITTEES ON ENERGY AND ENVIRONMENT AND
ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

SB 2198, RELATING TO RENEWABLE FUELS

February 5, 2014

Chairs Gabbard and Dela Cruz, Vice-Chairs Ruderman and Slom, and members of the Committees, 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 purpose of SB 2198 is to create a task force within the department of business, economic development, and tourism to perform a feasibility study and propose legislation for: (1) requiring locally produced renewable fuels to account for at least ten per cent of a distributor's annual sales of fuels for motor vehicles; and (2) requiring the mixture of up to five per cent of locally produced biofuels in diesel fuels.

HREA **supports** this measure and offers 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,
 - b) provide legislation appropriate to memorialize the results of the feasibility study, and
- 2) Recommendations: We recommend the committees pass this measure out to facilitate further discussion on this important subject matter.

Mahalo for this opportunity to testify.

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

DATE: February 4, 2014

TO: Senator Mike Gabbard
Chair, Committee on Energy & Environment

Senator Donovan Dela Cruz
Chair, Committee on Economic Development , Government Operations and
Housing

Submitted Via ENEstestimony@capitol.hawaii.gov

RE: **S.B. 2198 – Relating to Renewable Fuels**
Hearing Date: Wednesday, February 05 at 2:50 p.m.
Conference Room 016

Dear Chair Gabbard, Chair Dela Cruz and Members of the Committees,

On behalf of the Alliance of Automobile Manufacturers (“Alliance”) we submit this testimony regarding S.B. 2198.

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 SB 2198. 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, hydrogen and 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

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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.

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.

Thank you for the opportunity to testify on this bill.