



SIERRA CLUB OF HAWAII
MALAMA I KA HONUA. *Cherish the Earth.*

Maui Group
P.O. Box 791180
Paia, HI 96779

To: Chair WAM
Date: Feb 20, 2014



The Sierra Club Maui Group opposes to SB3008.

The Maui Sierra Club helped to engage the community by co-sponsoring two trash forums designed to bring the Anaergia contract to public attention. This effort appears to be the only open discussion about the project. During these forums many participants commented that the project plan was incomplete and the plan actually changed from one forum to the next.

Even after the improvement following the first forum, the plan has several serious disadvantages:

1. It will shut out our local recycling companies, causing local job loss and transferring income off-island to this mainland company.
2. It will lock us into a contract mandating that we provide a minimum amount of trash and tipping fees for 20 years, thus removing any incentive to reduce or recycle trash.
3. No provision is made for source separation except a physically impractical idea that has been shown to fail when tried. This plan discourages 3 can separation which is the proven best way to recycle.
4. It will force us to deal with toxic energy pellets that must be burned in a incinerator-level plant to avoid pollution. There is no market for these pellets on Maui. HC&S has not indicated any willingness upgrade their mill to properly handle them.

This plan has not been well thought out nor, in our opinion, is it the best way to go. There has been a rush to sign the contract with inadequate discussion and research. We fear that it will prove expensive to the County and be counter-productive to more environmentally beneficial methods of dealing with our waste such as source recycling and waste reduction.

With all of this in mind, we believe that supplying Anaergia with \$150 million in bonds that the state will have to back is unwise.

Please do not pass SB3008 until (and unless) the project has been thoroughly vetted and these questions are answered.

Respectfully submitted:

Chris Taylor
Chair, Maui Sierra Club



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mauifaith@gmail.com
Subject: Submitted testimony for SB3008 on Feb 20, 2014 09:05AM
Date: Wednesday, February 19, 2014 10:22:35 PM

SB3008

Submitted on: 2/19/2014

Testimony for WAM on Feb 20, 2014 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Faith Ewbank	Individual	Support	No

Comments: I am writing in support of SB 3008 and its intent of supporting Waste to Energy by using bonds to support the initiation of waste diversion endeavors. I have personally followed the federal compliant delinquencies of my island over the last 23 years. I have read the 54 page contract Maui County has signed with Anaergia and feel that our county has an impeccable future with the approach this innovative leading edge company offers. We live in compromising times and haste not, there is work to be done. I strongly feel that the discussions and conclusions needed not take the years and meetings that strewn out over Hawaii political time. It not necessary to gather, only to conclude, yes, in fact, we should divert. Some may argue that other approaches should have been considered and that local government funds not be used to couch that of private interests. I insist that we take responsibility for the complacency that has gone on for far too long and be most willing to support those enterprising cooperatives that finally assist us in taking intelligent steps towards stewardship. There comes a time when the questioning need suspend so that progress may resume. That being said might I conclude that it equally important to not expect one to work alone. We must balance our support and investment by acting on interest and intention. Sincerely, Faith Chase

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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MEMORANDUM

TO: SENATE COMMITTEE WAYS AND MEANS
SENATOR DAVID IGE, CHAIR
SENATOR MICHELLE N. KIDANI, VICE CHAIR

FROM: KARL BOSSERT, DIRECTOR OF BUSINESS DEVELOPMENT - PACIFIC

SUBJECT: SB 3008 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST ANAERGIA INC.

POSITION: SUPPORT

DATE: FEB 19, 2014

Anaergia Services, LLC (Anaergia) would like to thank Chair Ige, Vice Chair Kidani, and the Senate Committee on Ways and Means as a whole, for taking the time to discuss SB 3008.

This bill relates to the potential issuance of Special Purpose Revenue Bonds to assist Anaergia in the development of renewable fuels and/or energy projects on Maui. Anaergia is a worldwide expert in resource recovery, most notably through anaerobic digestion. The company has a 20 year track record and proven technology with a number of in-house patents and over 1,600 projects to date. Because of Hawaii's physical isolation and high cost of energy, Anaergia feels Hawaii is an excellent candidate for anaerobic digestion, and is currently engaged in developing two projects on Maui using this technology.

Maui Resource Recovery Facility

The first project is called the Maui Resource Recovery Facility (MRRF). Under a 20 year contract from the County of Maui, the facility will take municipal waste, currently going into the Maui County landfill, and extract as much as 75% of the recyclable materials from that waste. The remaining materials will be processed to create renewable natural biogas, through anaerobic digestion. The materials that are not digestible will be converted into an engineered solid fuel. The gas and solid fuels can be used for power generation, household and commercial (heating/cooling) and transportation. Only about 15% of the incoming municipal waste will end up in the landfill at the end of the process, lengthening the life of the landfill up to five times.

Anaergia's vision for this project is to set a model benchmark for how municipal waste is dealt with in Hawaii and the rest of the world. The future of waste management is to

increase recyclable recovery, produce a mix of sustainable, renewable fuels from the balance, and reduce the amount of landfilled materials to the maximum extent possible.

Maui Energy Park

The second project is called the Maui Energy Park (MEP). This project is located in West Maui, where the plan is to grow an energy crop and process it into renewable natural biogas through anaerobic digestion. This project will revitalize almost 2,000 acres of high quality agricultural lands left fallow after the demise of sugar cane and pineapple in West Maui. MEP will use recycled water for the majority of its irrigation needs, allowing the nutrients in this water to be returned to the soil. The renewable natural biogas can be used for power generation, household and commercial (heating/cooling) and transportation. Anaergia is in discussions with MECO to take a portion of this gas and generate electrical power onsite. This has the potential to increase grid stability and reliability in West Maui.

Anaergia sees the MEP as a model approach for putting agricultural lands back into productive use across the state. The anaerobic digestion process is an efficient way to make renewable biogas with energy recovery several times higher than other processes (e.g. ethanol distillation or biodiesel production).

Both projects provide a number of environmental and socio-economic benefits to the state, county and residents of the state of Hawaii. These include reduced materials going in the landfill, putting fallow Ag lands back into production, and creating competitive renewable fuels which will provide energy cost stability and security for the state. These projects will create hundreds of short-term construction and long-term farming and operational jobs, thereby keeping millions of dollars a year in the economy here in Hawaii.

Anaergia is seeking up to \$150 million in special purpose revenue bonds to support these two projects. These bonds will provide low-cost financing to offset the high cost of shipping materials and constructing these facilities in Maui. Anaergia has a long-term vision for Hawaii and believes that these projects can be duplicated on other islands to benefit the environment, the economy and Hawaii's residents. Subsequent projects will enjoy learning curves and possible economies of scale, making those projects less reliant on special purpose revenue bonds in the future.

The following page shows a summary of environmental as well as socio-economic benefits for both projects.

Anaergia would again like to thank the Committee for its time on this matter and stands ready to address any questions you may have during the hearing.

Environmental and Socio-Economic Benefits from Proposed Projects

Project Benefits	Project
Increase recyclable material recovery from a current level of <5% to >75%	MRRF
Increase landfill diversion from a current level 43% to >75%	MRRF
Increase municipal solid waste diversion from a current level 0% to 85%	MRRF
Increase existing landfill life up to five times	MRRF
Revitalize almost 2,000 acres of ag land, reducing soil erosion and dust problems	MEP
Help in the user of recycled water in W. Maui	MEP
Create approximately 200 construction jobs	MRRF and MEP combined
Create approximately 60 permanent jobs	MRRF and MEP combined
Reduce up to 30,000 ton of coal importation per year by creating engineering solid fuels	MRRF
Replace the equivalent of almost 3,000,000 of gasoline per year by creating renewable natural biogas	MRRF and MEP combined
Increase energy cost stability and security	MRRF and MEP combined
Preserve open space through reduced need to expand the landfill and by keeping ag land in production	MRRF and MEP combined
Provide \$150 million of capital investment into the state	MRRF and MEP combined
Provide approximately \$12 million per year of ongoing expenditures in Maui	MRRF and MEP combined



Maui Recycling Service



If not now, when?

P.O. Box 1267 Wailuku HI 96793
808-244-0443 / Fax 808-873-6141
www.mauirecycles.com

February 19, 2014

Maui Recycling Service strongly opposes SB3008, Relating to the issuance of Special Purpose Revenue Bonds to assist Anaergia Inc.

To: Senate Committee on Ways and Means

Maui Recycling Service opposes the issuance of special purpose revenue bonds for Anaergia Inc. The proposed facility, as stated by Anaergia, would be a “dirty mrf”, meaning that most of the trash & recyclables coming into the facility would be mixed together, which will cause serious contamination of recyclable materials. As reported in a 2009 study by the Container Recycling Institute, even when only recyclables are mixed together (i.e. single stream recycling) there is increased contamination of certain recyclables and a reduction in the value of the recyclable materials. When trash and recyclables are mixed together, as proposed by this project, the contamination of recyclables is much higher and the result is a lower recycling rate and a lower value of the recyclables that are shipped to processors. Currently there are several private company’s handling recycling services on Maui, and over the past two plus decades the recycling rate on Maui has reached the highest level in the State. A new large industrial project is not necessary to help Maui achieve high recycling/diversion rates, and the enormous financial risks posed by such a large project are clearly not warranted.

Additionally, Maui County residents have been told by Anaergia and the Maui County Administration that the Anaergia facility will be at no cost to Maui County tax payers, that Anaergia will cover all costs of building this facility. Now, with SB 3008, Anaergia is asking all taxpayers in Hawaii to help cover the cost of their facility by giving tax incentives to investors of their project.

This project is simply too big, too costly, too risky, and totally unnecessary.

Please vote no on SB 3008

Shaun Stenshol
Maui Recycling Service
zerowastemaui@gmail.com



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tampaltin@gmail.com
Subject: Submitted testimony for SB3008 on Feb 20, 2014 09:05AM
Date: Wednesday, February 19, 2014 4:30:04 PM

SB3008

Submitted on: 2/19/2014

Testimony for WAM on Feb 20, 2014 09:05AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Tamara Paltin	Individual	Oppose	No

Comments: I am not in favor of this bill because the process to select anaergia was not inclusive of our community. Many small local businesses are negatively affected by the administrations choice to select this corporation and the benefits to the community are not clear. I am not convinced this corporation/method is the best for our community/situation and do not support state/taxpayers putting additional resources to this enterprise.

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