

Enerkem comments on SB2019 SD1 – “A Bill for an Act Relating to Biofuel”**February 22, 2018**

Presented to:
Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Senator Donovan M. Dela Cruz, Chair;
Senator Gilbert S.C. Keith-Agaran, Vice Chair,

Enerkem appreciates the opportunity to submit comments on SB2019 SD1 – “A Bill for an Act Relating to Biofuel”.

Enerkem is a leading waste-to-biofuels and chemicals company. Our facility in Edmonton, Alberta (Canada) is the world’s first commercial biorefinery to use municipal solid waste to produce biomethanol and ethanol. Enerkem’s facility in Edmonton is already registered to sell its biofuels to meet renewable fuel requirements under the U.S. Renewable Fuel Standard (RFS). The biogenic portion of Enerkem’s ethanol qualifies as a cellulosic biofuel for the U.S. RFS. Enerkem is also registered to sell its biofuels under the Canadian Renewable Fuel Standard, the British Columbia Renewable and Low Carbon Fuels Requirements, and the European Union’s Renewable Energy Directive (RED).

We are also currently developing other biorefineries in North America and globally, and are in discussions with several groups and municipalities in the U.S. Enerkem facilities provide communities with a smart, sustainable alternative to landfilling and incineration and are complementary with recycling as they target the non-recyclable, residual waste.

Enerkem is pleased that the Hawaii State Legislature is considering legislation to encouraging the use of biofuel in motor vehicles. This legislation is important to increase energy independence and reduce greenhouse gas and other harmful emissions from motor fuel use in the State.

Recommendation: include MSW in the definition of “biofuels” to level the playing field and maintain consistency with landfill gas

The current version of the bill contains an important omission, however, in the definition of “biofuels”. The proposed definition in the bill does not include municipal solid waste (MSW).

MSW is an abundant, sustainable feedstock. It has no land use and its use as a biofuels feedstock helps increase diversion from landfill/incineration and avoid the GHG emissions and other nuisances of these conventional waste management practices. The biomass fraction of MSW is an eligible feedstock for the U.S. Renewable Fuel Standard. The biogenic fraction of liquid biofuels produced from mixed waste can easily and accurately be measured with carbon 14 (radiocarbon dating) testing following the ASTM D6866 standard, as specified by the U.S. RFS. Enerkem has implemented this testing procedure at its Edmonton facility.

We take note that the proposed definition of “biofuels” in the SB2019 SD1 bill does include "landfill wastes", which can be used to produce biogas. To maintain consistency, the biomass fraction of MSW should also be eligible when converted into liquid fuels. The “biofuels” definition must be adjusted to include the biomass fraction of MSW in order to maintain a level playing field for all liquid and gaseous biofuels production processes.

Enerkem therefore strongly encourages legislators to modify the definition of “biofuels” in SB2019 SD1 to include MSW, in order to encourage the production and consumption of biofuels produced from this sustainable feedstock in the State of Hawaii.

Thank you for your consideration of these comments.

Submitted by / For more information please contact:

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SENATE COMMITTEE ON WAYS AND MEANS

February 23, 2018, 10:00 A.M.

Room 211

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF SB2019 SD1

LATE

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Blue Planet Foundation supports Senate Bill (SB) 2019 SD1, which would require fuel sold in the State to contain no less than ten per cent biofuel by volume and would set fines for violating the biofuel requirements.

Blue Planet Foundation is a local, mission-driven nonprofit committed to clearing the path for 100% clean energy in Hawaii and we believe that biodiesel and other biofuels can play an important role in helping to meet the energy and environmental goals of the state and counties.

As the number of electric vehicles increases over the next couple of decades, there are sure to be a significant number of legacy vehicles with internal combustion engines that remain on Hawaii's roadways. The owners of such vehicles will be able to use biodiesel and other biofuels as "drop-in replacement fuels," allowing them to reduce their environmental footprints while continuing to use those vehicles.

Policies and programs which expand the capacity to provide biodiesel and biofuels are critical to ensuring that sufficient amounts of those environmentally friendly fuels will be available to meet future demand.

We believe that this bill will help to expand the supply of, and capacity to produce biodiesel and other biofuels, and will therefore help to meet state and county goals to reduce our environmental footprint and dependence on imported fossil fuels.

Thank you for the opportunity to testify.

LATE

SB-2019-SD-1

Submitted on: 2/22/2018 10:26:18 AM

Testimony for WAM on 2/23/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ferdinand Ballesteros	Individual	Support	No

Comments:



LATE

Testimony of Jim Yates,
President of the Hawaii Petroleum Marketers Association

**IN OPPOSITION TO SENATE BILL 2019, SENATE DRAFT 1,
RELATING TO BIOFUEL**

Senate Committee on Ways & Means
The Honorable Donovan Dela Cruz, Chair
The Honorable Gilbert Keith-Agaran, Vice Chair

Friday, February 23, 2018 at 10:00 a.m.
Hawaii State Capitol, Conference Room 211

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

I am Jim Yates, President of the Hawaii Petroleum Marketers Association (“HPMA”). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands. Our membership includes individuals and companies who operate as independent marketers, jobbers or distributors of petroleum products and who buy liquid motor fuel products at the wholesale level and sell or distribute products to retail customers, other wholesalers, and other bulk consumers. HPMA’s primary purpose is to protect and advance its members’ legislative and regulatory interests in the Hawaiian Islands and Washington, DC.

SB 2019, SD 1 requires fuel sold in the state to contain no less than 10% biofuel by volume, sets an amount of fine for violating the biofuel requirement, and amends the definition of “biofuel” to include ethanol and biodiesel.

HPMA opposes this bill because it establishes another biofuel blending mandate in addition to the existing federal Renewable Fuel Standard that fuel producers and distributors in Hawaii are already required to meet.

As a result of Hawaii opting in to the federal Renewable Fuel Standard (“RFS”), fuel producers and distributors in Hawaii are required to blend increasing amounts of biofuel into gasoline and diesel, or purchase renewable fuel credits to meet their obligation. Adding another blending mandate is duplicative and may result in unintended consequences for consumers.

Therefore, we respectfully ask that you defer SB 2019, SD 1. Thank you for this opportunity to testify.

SB-2019-SD-1

Submitted on: 2/23/2018 6:12:11 AM

Testimony for WAM on 2/23/2018 10:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Darrell Tanaka	Individual	Oppose	No

Comments:

ethanol plugs up my fuel injectors in my car, and eats up the fuel lines in my farm equipment...please do not pass this bill, it is unnecessary as ethanol fuel is available at every gas station there is....consumers should be allowed choices....or you can pass this bill, and have the state liable for all the damage ethanol does to our vehicles and machines as well as boats.



COLLEGE OF SOCIAL SCIENCES
HAWAII ENERGY POLICY FORUM
UNIVERSITY OF HAWAI'I AT MĀNOA

Hawaii Energy Policy Forum

Jeanne Schultz Afuvai, Hawaii Inst. for Public Affairs
David Bissell, Kauai Island Utility Cooperative
Michael Brittain, IBEW, Local Union 1260
Jade Butay, Hawaii Dept of Transportation
Caroline Carl, Hawaii Energy
Albert Chee, Island Energy Services
Elizabeth Cole, The Kohala Center
Kyle Datta, Ulupono Initiative
Richard DeGarmo, Hawaii Gas
Mitch Ewan, UH Hawaii Natural Energy Institute
Jay Fidell, ThinkTech Hawaii
Carl Freedman, Haiku Design & Analysis
Matthias Fripp, REIS at University of Hawaii
Ford Fuchigami, Ofc of Hawaii State Governor
Will Giese, Inter-Island Solar Supply
Dale Hahn, Ofc of US Senator Brian Schatz
Michael Hamnett, SSRI at University of Hawaii
Senator Lorraine Inouye, Hawaii State Legislature
Randy Iwase, Public Utilities Commission
Darren Kimura, Energy Industries
Representative Chris Lee, Hawaii State Legislature
Gladys Marrone, Building Industry Assn of Hawaii
Stephen Meder, UH Facilities and Planning
Sharon Moriwaki, UH Public Policy Center
Rocky Mould, Ofc of Climate Change
Aina Naniolo, Ofc of US Congresswoman Colleen Hanabusa
Ron Nelson, Defense Logistics Energy Agency
Dean Nishina, Division of Consumer Advocacy
Denise Oda, US Department of Agriculture
Stan Osseman, HCATT
Melissa Pavlicek, Hawaii Public Policy Advocates
Randy Perreira, Hawaii Government Employees Assn
Fredrick Redell, Maui County Energy Office
Rick Rocheleau, UH Hawaii Natural Energy Institute
Ross Roley, PACOM
Will Rolston, Hawaii County, Research & Development
Peter Rosegg, Hawaiian Electric Companies
Scott Seu, Hawaiian Electric Companies
Carilyn Shon, Hawaii State Energy Office, DBEDT
Joelle Simonpietri, Simonpietri LLC
Ben Sullivan, Kauai County
Lance Tanaka, Par Hawaii
Maria Tome, Public Utilities Commission
Kirsten Turner, Ofc of US Representative Tulsi Gabbard
Alan Yamamoto, Ofc of US Senator Mazie Hirono

Testimony of Lance Tanaka
Chair, Fuels Working Group
Hawaii Energy Policy Forum

LATE

To the
Senate Committee on Ways and Means

February 23, 2018 at 10:00 a.m. in Conference Room 211

**OFFERING COMMENTS ON SENATE BILL 2019, SENATE DRAFT 1,
RELATING TO BIOFUEL**

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

I am Lance Tanaka, Chair of the Fuels Working Group of the Hawaii Energy Policy Forum (Forum). The Forum, created in 2002, is comprised of over 40 representatives from Hawaii's electric utilities, oil and natural gas suppliers, environmental and community groups, renewable energy industry, and federal, state and local government, including representatives from the neighbor islands. Our vision and mission, and comprehensive "10 Point Action Plan" serves as a guide to move Hawaii toward its preferred energy goals.

SB 2019, SD 1 requires fuel sold in Hawaii to contain no less than 10% biofuel by volume, sets an amount of fine for violating this provision, and amends the definition of "biofuels" to include ethanol and biodiesel.

The Forum offers the following comments.

While the Forum does support the development of a sustainable and integrated food and fuel supply chain in the Islands—for which biofuels will play an important role—we should note that SB 2019, SD 1 seeks to establish a biofuel blending mandate when Hawaii is already under a federal mandate.

Hawaii's fuel producers and distributors are required to blend increasing amounts of biofuel into gasoline and diesel under the federal Renewable Fuel Standard (RFS), to which Hawaii opted-in.

Given that the federal RFS is a holistic program that tracks every gallon of biofuel and provides obligated parties with the flexibility of purchasing renewable fuel credits, SB 2019, SD 1 would seem to be duplicative.

Thank you for the opportunity to provide comments for the Committee's consideration.

This testimony reflects the position of the Forum as a whole and not necessarily of the individual Forum members or their companies