

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
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To: The Honorable Donovan Dela Cruz, Chair
and Members of the Senate Committee on Ways & Means

Date: Friday, February 23, 2018
Time: 10:00 A.M.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 3077, S.D. 1, Relating to Biofuels.

The Department of Taxation (Department) offers the following comments regarding S.B. 3077, S.D. 1, for your consideration.

S.B. 3077, S.D. 1, makes amendments to Hawaii Revised Statutes (HRS) section 235-110.31, which governs the nonrefundable Renewable Fuels Production Tax Credit (RFPTC). A summary of key provisions are as follows:

- Raises both the per-taxpayer cap and the aggregate cap on the RFPTC from \$3 million per taxable year to \$3.5 million per taxable year;
- Deletes the previous sunset date of December 31, 2021 and makes the RFPTC permanent;
- Adds a new section to HRS chapter 201, establishing within the Department of Business, Economic Development, and Tourism (DBEDT) a Renewable Fuel Facilitator position, with statutorily-prescribed responsibilities; and
- Defective effective date of July 1, 2050, with the changes to HRS section 235-110.31, applying to taxable years beginning after December 31, 2017.

The Department notes that the Senate Committees on Transportation and Energy and Labor amended this measure by adding organic material such as logs, wood chips, wood pellets, and wood bark to the definition of “renewable feedstocks” and “renewable fuels,” and by inserting a defective effective date of July 1, 2050.

The Department is able to administer the increased RFPTC caps and defers to DBEDT on the establishment of the Renewable Fuel Facilitator position.

Thank you for the opportunity to provide comments.



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

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
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Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism

before the

**SENATE COMMITTEE ON
WAYS AND MEANS**

Friday, February 23, 2018

10:00 a.m.

State Capitol, Conference Room 211

in consideration of

**SB3077, SD1
RELATING TO BIOFUELS.**

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

The Department of Business, Economic Development & Tourism (DBEDT) supports the intent and offers comments on SB3077, SD1, which: (1) increases the renewable fuel production tax credit (Tax Credit) cap to \$3,500,000 per calendar year; (2) makes the Tax Credit permanent; (3) creates a renewable fuel facilitator position within DBEDT; (4) revises the definition of "renewable feedstock" to include "other renewable organic materials, such as logs, wood chips, wood pellets, and wood bark;" and, (5) revises the definition of "renewable fuels" to include "Logs, wood chips, wood pellets, or wood bark."

DBEDT supports the proposed new definitions for "renewable feedstock" and "renewable fuels. However, DBEDT suggests that the definitions in the Renewable Portfolio Standards law (HRS 269-91) be consistent with the proposed new definitions by amending HRS 269-91. That way the renewable fuels claimed under this Tax Credit will contribute towards Hawaii's renewable portfolio standards goals.

We appreciate the intent of this measure to establish a renewable fuel facilitator position within DBEDT. If the Legislature decides to authorize a designated renewable fuel facilitator position in DBEDT, we recommend that the position be funded using general funds.

DBEDT offers the comments above provided that the increase in the Tax Credit and creation of a new renewable fuel facilitator position do not adversely impact the Administration's revenue and budget priorities. We defer to the Department of Taxation on its ability to administer its duties under this bill.

Thank you for the opportunity to offer comments.

Hawaii BioEconomy Trade Organization

HOUSE OF REPRESENTATIVES / HAWAII STATE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018

COMMITTEE ON WAYS AND MEANS

Sen Donovan Dela Cruz, Chair
Sen Gilbert Keith-Agaran, Vice Chair

DATE: February 23, 2018
TIME: 10:00am
PLACE: Conference Room 211
State Capitol
415 South Beretania Street

TESTIMONY ON SENATE BILL NO. 3077 SD1, RELATING TO BIOFUELS

Position: Support with Modifications

To the Honorable Sen Donovan Dela Cruz, Chair; the Honorable Sen Gilbert Keith-Agaran, Vice Chair; and Members of the Committee:

Thank you for the opportunity to provide written testimony on Senate Bill No. 3077 SD1.

The Hawaii Bioeconomy Trade Association (HBETO) is a newly forming non-profit trade association with members engaged in the production or development of integrated food, energy, and waste-re-use projects to help the State of Hawai'i meet its ambitious renewable energy and local food production goals and mandates. At the 3rd Annual Bioeconomy Hawaii Forum held at the Capitol in January 2018, a maximum-capacity group of over 120 attendees from the private, public, and non-profit sectors convened to discuss opportunities and challenges to sustainable business producing integrated food, energy, and value-added products in Hawaii and to vote on priorities for policy and industry standards and facilitation.

SB 3077 increases the renewable fuel tax credit cap by \$500,000 to a combined cap of \$3,500,000 and makes the tax credit permanently available for the first five years of each qualifying plant's production. The bill also creates a renewable fuel facilitator position within the department of business, economic development, and tourism, to be one of the thirty-six (36) current Hawaii State Energy Office positions currently funded by the Energy Security Special Fund (aka, the "barrel tax"). Finally, the bill amends the definitions of "biofuels" and "renewable fuels" and "renewable Feedstocks" to better align with federal definitions.

The amendment SD1 makes the renewable fuel production tax credit permanent effective this year, which we whole-heartedly support. The amendment SD1 also, however, defers action on the other sections of the bill, to include the renewable fuel facilitator and the reconciliation of the different statutory definitions of "biofuel", to an effective date of July 1, 2050, "for discussion purposes."

With respect to the desire for discussion, we offer that the legislature unanimously adopted S.C.R. No. 121, Regular Session of 2017, calling for a Hawaii green fuels initiative to increase jobs and local food and biofuel feedstock production across the State, as an example of prior legislative intent and discussion. This resolution came on the 10-year anniversary of Act 253, Session Laws of Hawaii 2007, which required the State to develop a Hawaii Bioenergy Master Plan and associated program and staffing support. DBEDT's foreword to the final report to the Legislature for Act 253 states "*The Bioenergy Master Plan project is just the beginning of a*

Hawaii BioEconomy Trade Organization

statewide effort to understand the current and future potential of energy from – and for – Hawaii's agricultural sector. This is an important area, with great potential and implications for both energy and food security. We are working to develop a common vision and understanding of the opportunities while acknowledging the legal, environmental, and business realities that need to be addressed at every step along the way... As stated in HNEI's Executive Summary, the enabling legislation stated as its primary intent "develop a Hawaii renewable biofuels program." Thus, although the document includes information on the many private sector activities taking place, the emphasis is on government actions."

We offer that all parts of SB3077SD1 support that legislative intent.

Unfortunately, the state's four established fuel refining companies (Par Hawaii, Island Energy Services, Hawaii Gas, and Pacific Biodiesel) together comprise over 90% of the State's manufacturing sector and 100% of the renewable fuel production capability in the State, and refine or distribute over two-thirds of the energy consumed in the state. These companies currently have no fuels specialist or counterpart to call upon at the Hawaii State Energy Office. There currently is no position at the Hawaii State Energy Office or DBEDT staff member responsible for advising the DBEDT Director, Governor, or Legislature on technical, market, or policy developments in the area of traditional or renewable fuels, or air or marine transportation fossil carbon replacement. There is no-one clearly responsible for facilitating information sharing between state, federal, and county levels across the important issues that renewable fuels touch upon, such as agriculture, water, health, waste re-use, and planning and permitting. Passing this bill would establish one (1) of the existing thirty-six (36) Hawaii State Energy Office (HSEO) positions to fill this important facilitation role. The position would be funded by the current and existing funding mechanism in statute, the "barrel tax" Energy Security Special Fund.

We submit this testimony in support of SB3077SD1, and recommend the following amendments to SD1 for the Committee's consideration:

- Amend definitions of "biofuel," "renewable fuel" and "renewable feedstocks" to better conform with the Federal Renewable Fuel Standard (RFS) definitions. Doing so would ease the producer reporting and DBEDT certification of qualifying fuel. It will also facilitate current and future state producers to monetize carbon sequestration and fossil carbon reduction benefits, in the form of renewable fuel credits, to obligated parties outside Hawaii. Therefore we recommend Part II, Section 2, 235-110.31 definitions of "renewable feedstocks" and "renewable fuels" (SB2077HD1 page 6 line 4, and page 5 line 10) be amended to include "any renewable feedstock and renewable fuel approved as such by the U.S. Environmental Protection Agency under the U.S. federal Renewable Fuel Standard (RFS) in accordance with Code of Federal Regulations Title 40 Chapter I Subchapter C part 80 (40 CFR part 80)." For more info on the federal RFS, see <https://www.epa.gov/renewable-fuel-standard-program>
- Amend qualifying amount of fuel to be "20 cents per ~~seventy-six~~seventy thousand British thermal units of renewable fuels at 60 degrees Fahrenheit and 1 atmosphere of pressure using the lower heating value sold for distribution in Hawaii". Again, doing so would better conform with the Federal Renewable Fuel Standard (RFS) definitions and ease the producer reporting and DBEDT certification of qualifying fuel.
- Clarify that "carbon emissions" reduction is desired specifically for fossil carbon sources. In Part III, Section 4, 201 (b)(2)(A)(i) add "fossil" to read: "... and reducing fossil carbon emissions..."

Many thanks for your time and consideration

Carl Campagna
Executive Director
Hawaii Bioeconomy Trade Organization
808-383-7699
Ccampa1@msn.com

Honua Ola

BIOENERGY LLC

Testimony to the Senate Committee on Ways and Means

Friday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

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

Honua Ola LLC supports SB3077 SD1 and provides the following comments:

HB3077 proposes 1) to clarify the definition of Biomass Crops, 2) to increase the renewable fuels production tax credit (PTC) by \$500,000 from \$3.0 million to \$3.5 million and to make the PTC permanent, and 3) to create a renewable fuel facilitator position within the Department of Business, Economic Development, and Tourism and requires reporting to the Legislature.

Honua Ola is planning to develop a biomass renewable energy facility by utilizing intentionally grown feedstock which will be replanted over the life cycle of the facility. This creates a sustainable feedstock with net zero impact to carbon emissions. The reason that the definition of biomass crops is important to clarify in this proposed legislation is because our intent is to also try to harvest albezia, an invasive species, which is unintentionally grown and a nuisance to the Island of Hawaii. Albezia grows rapidly and is not only an invasive species, but it also is a potential safety hazard due to the shallow root system, which causes the massive trees to topple unexpectedly. It costs taxpayers and landowners thousands of dollars to remove albezia trees. By using this invasive tree as feedstock, we can help the community deal with a dangerous problem while contributing to the renewable energy goals of the state.

In addition, biomass facilities require large amounts of capital, and does not currently benefit from state or federal incentives, unlike other renewable technologies. By raising the cap on the annual credits and extending the PTC, it will also assist in creating a sustainable foresting and energy industry in a currently depressed economic area of the Island of Hawaii. Current unemployment rate is almost 45% in the Pepeekeo district and this bill will enable hundreds of new construction and permanent jobs. And, in an area where the poverty rate is 1.5 times the national average, it can help stimulate the local economy with jobs and create a new industry, which will provide much needed economic development.

Thank you for the opportunity to testify and support SB3077 HD1.

Kevin Owen
General Manager

Honua Ola

BIOENERGY LLC

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Make Renewable Fuels Production Credit Permanent and Increase Cap

BILL NUMBER: SB 3077, SD-1

INTRODUCED BY: Senate Committees on Transportation & Energy and Labor

EXECUTIVE SUMMARY: Increases the renewable fuel production tax credit cap to \$3,500,000 and makes the tax credit permanent. A direct appropriation would be preferable as it would provide some accountability for the taxpayer funds being utilized to support this effort. Meaning, we as taxpayers know what we're getting and we know how much we're paying for it.

SYNOPSIS: As this bill relates to the renewable fuel tax credit in section 235-110.31, the bill replaces \$3,000,000 with \$3,500,000 wherever it appears, thereby increasing the credit cap.

The bill also allows renewable organic material, such as logs, wood chips, wood pellets, and wood bark, to qualify as biomass crops and therefore as "renewable feedstocks" that would qualify for the incentives under the bill. For good measure, the bill also amends the definition of "renewable fuels" specifically to include logs, wood chips, wood pellets, or wood bark.

The bill also amends Act 202, SLH 2016, to delete the sunset date of the credit.

EFFECTIVE DATE: July 1, 2050; the credit provisions apply to taxable years beginning after December 31, 2017.

STAFF COMMENTS: Act 289, SLH 2000, established an investment tax credit to encourage the construction of an ethanol production facility in the state. 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 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 years is that unbridled tax incentives, where there is no accountability or limits on how much in credits can be claimed, are irresponsible as the cost of these credits goes far beyond what was ever intended. Instead, lawmakers should consider repealing the production 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.

Ethanol was the panacea of yesterday; lawmakers have since 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. It may make sense to encourage development of other alternative fuels that will not have these issues, but doing it in open-ended fashion by way of a tax credit is an invitation to abuse.

An appropriation of taxpayer dollars for such untried and unproven technologies would be far more accountable than the tax credit as such technologies would have undergone the scrutiny of lawmakers. Providing a tax incentive is an indicator that lawmakers are unwilling to do the hard research and unwilling to impose strict discipline in the expenditure of hard-earned tax dollars. The tax incentive approach represents nothing more than a hope and a wish that some breakthrough will be made, no matter how inefficient it may be, that some alternative to fossil fuel will be found. In the meantime, those tax dollars will be wasted on some unproven folly. If this were an appropriation, taxpayers would then know who to hold accountable for the waste of those tax dollars.

These, along with numerous other proposals targeted at specific types of business activity, are truly an indictment of what everyone has known and acknowledged since before Hawaii became a state, that is, the climate imposed by government regulations and taxation makes it difficult to survive without some kind of subsidy such as tax credits from government. Once those subsidies disappear, so will the businesses. Instead of throwing out such breaks for special interests, lawmakers must endeavor to make Hawaii's business climate more welcoming and conducive to nurturing entrepreneurs.

Digested 2/20/2018



Testimony to the Senate Committee on Ways and Means

Friday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD 1

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

Hawaii Gas **supports** SB3077 SD 1 and provides the following comments:

HB3077 proposes 1) to increase the renewable fuels production tax credit (PTC) by \$500,000 from \$3.0 million to \$3.5 million and to make the PTC permanent and 2) to create a renewable fuel facilitator position within the department of business, economic development, and tourism.

As Hawaii's only regulated gas utility, Hawaii Gas (HG) has been focused on initiatives to develop Renewable Natural Gas (RNG) in Hawaii. This year, HG is excited to implement its first RNG project on Oahu which sources RNG from the City and County of Honolulu's Honouliuli Wastewater Treatment Plant. HG is also focused on expanding its use of RNG, including RNG from additional wastewater treatment plants and landfills. However, the amount of RNG that can be produced is small, and will take many years to procure. Based on HG's studies to date, the only path to further scale local production of RNG is through sourcing the RNG from energy crops. HG is in the process of testing various energy crops before it makes significant investments in technology, land and other resources. These types of endeavors are expensive and a PTC helps to offset the costs, which are impactful to ratepayers. In our research, we have identified numerous obstacles in the path towards RNG, including but not limited to land and water resources, lack of farming incentives, very little federal and state incentives compared to the investment required. The renewable natural gas market has not enjoyed the same generous financial incentives that helped to accelerate the renewable power market, and therefore a permanent PTC is a sign that the Legislature is committed to supporting the endeavors to developing renewable fuels in Hawaii, including RNG. In addition, increasing the diversity of fuel sources, including renewable biofuels, such as RNG, upon which critical infrastructure systems can depend, will help support the overall reliability and resiliency of



those systems in the event of natural or manmade disasters.

Thank you for the opportunity to testify on SB 3077.

SB-3077-SD-1

Submitted on: 2/21/2018 5:25:38 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Robert King	Testifying for Pacific Biodiesel Technologies	Support	No

Comments:

SB-3077-SD-1

Submitted on: 2/22/2018 8:57:35 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Jacqui Hoover	Testifying for Hawaii Island Economic Development Board	Support	No

Comments:

Hawaii Island Economic Development Board (HIEDB) incorporated in 1984 is a private, member-based 501(c)3 whose members are committed to diversification and strengthening of Hawaii Island's economy. HIEDB supports the state's energy goals which will reduce costs and advance sustainability. The provisions of SB3077 SD1 assist in those objectives of costs reduction and sustainability, and other opportunities including and not limited to, direct and ancillary jobs.

Mahalo for this opportunity to provide comments in support of SB3077 SB1.

SB-3077-SD-1

Submitted on: 2/19/2018 9:22:58 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Marsha Joyner	Testifying for Hawaii Martin Luther King, Jr. Coalition	Support	No

Comments:

I support the bill

Testimony to the SB 3077

Wednesday, February 22, 2018

Conference Room 211, State Capitol

I would like to provide the following comments **in support of SB 3077**

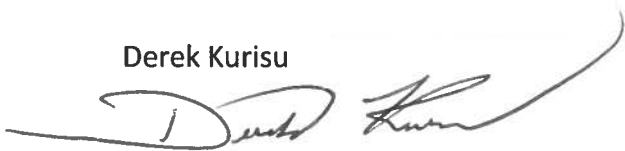
The Hawaii State goal of achieving 100% renewable energy by 2045 will be very difficult to achieve unless a diverse portfolio of technologies is fostered in the state. In addition, we recommend that the state needs renewable firm power, which biomass energy generation provides. In addition, a biomass generation plant adds to the resiliency and redundancy of power generation that will be crucial for citizens and ratepayers in the event of a natural or manmade disaster. A biomass energy generation facility will also create positive economic impacts for our state.

I was born and raised on the sugar plantation of Hakalau and my Dad later years worked in the Sugar mill at Pepeekeo. Currently, Honua Ola a biomass energy plant is being built from the remaining structure of the Sugar mill. I really believe in this project because it will help to build a forestry industry as well as create jobs to help the island economy. A forest industry will help with keep our air clean and could coexist with the cattle industry which would also help to reduce greenhouse gas emission from animals. Biomass energy generation will also help to turn waste into value by utilizing the albizia trees and waste from the eucalyptus trees.

Biomass energy will be good for Hawaii Island so please support SB 3077.

Thank you for the opportunity to testify.

Derek Kurisu

A handwritten signature in black ink, appearing to read 'Derek Kurisu', with a long, sweeping flourish extending to the right.

(808) 989-5555

SB-3077-SD-1

Submitted on: 2/21/2018 2:17:37 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Albert Nakaji	Individual	Support	No

Comments:

I am in support of the intent and purpose of SB3077 SD1.

It is important to continue supporting the increase of alternative fuels use in Hawaii, and to encourage the private sector to increase their contribution towards this goal. Providing a tax credit is a good way of assisting the private sector in terms of financial feasibility, without increasing capital outlay on the part of the State.

In order to make privatization and private-public progress in this same area, it is clear that greater coordination and facilitation is desirable. It is unclear why such facilitation is currently lacking in DBEDT. State Energy Office, to the extent that it is. Nevertheless, this oversight needs to be addressed and the addition of a facilitator position should do so.

Testimony to the Senate Committee on Ways and Means

Friday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee on Ways and Means:

I **support** SB3077 SD1 and provide the following comments:

HB3077 proposes 1) to clarify the definition of Biomass Crops, 2) to increase the renewable fuels production tax credit (PTC) by \$500,000 from \$3.0 million to \$3.5 million and to make the PTC permanent and 3) to create a renewable fuel facilitator position within the Department of Business, Economic Development, and Tourism and requires reporting to the Legislature.

I have been a long-time resident of Hawaii Island. I have held various positions on the island, including President of Hawaii Electric Light Company, and the Director of Public Works for the County of Hawaii.

I appreciate the difficulty of achieving 100% renewable energy in the state of Hawaii, as well as know first hand the difficulty of creating a viable economic engine in economically depressed areas.

By providing biofuel production tax credits, it can help to start a new farming and forestry industry on the island, while providing firm power to the grid.

I stand in strong **support** of SB3077 SD1.

Thank you for the opportunity to testify.

Warren Lee

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

**To: Chairman Sen. Donovan Dela Cruz
Vice-Chair Senator Gilbert Keith-Agaran
Members of the Committee on Ways and Means**

**RE: Senate Bill 3077 SD1
A Bill Relating to an Act Relating to Biofuels**

Aloha,

I am submitting testimony in support of SB3077 SD1.

The passage of this bill will benefit Hawaii island because of the abundance of biomass/biofuel resources available on the island. Biomass is a renewable, clean, sustainable energy crop that will feedstock the Honua Ola biomass firm power facility located in Pepeekeo, Hawaii, as well as contribute to the state's goal of 100% renewable energy. Biofuel technology is needed for the Honua Ola biomass power facility to produce firm power.

Biofuel production has the very real potential to stimulate further the economy by creating new industries in forestry, manufacturing, farming, energy, etc., as well as provide the fuel to provide associated new construction and permanent jobs in Hawaii, particularly in economically depressed areas.

With limited incentives from the state and federal governments, increasing the renewable fuel tax credit and making the tax credit permanent will further encourage and support investment in renewable fuel production in Hawaii and help to provide a sustainable future for our state.

The revival of the facility that has sustained the lifestyle and futures of countless families along the Hamakua Coast for several generations presents the opportunity to once again provide for the future generations of Hawaii Island and the state. It is heartwarming to see the strong commitment by Honua Ola and others to malama our aina, keiki, kanaka and kupuna.

Mahalo for the opportunity to provide testimony.



Suterra Soares

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

**To: Chairman Sen. Donovan Dela Cruz
Vice-Chair Senator Gilbert Keith-Agaran
Members of the Committee on Ways and Means**

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Mahalo for the opportunity to provide testimony.



Teodorico Mendoza Jr.

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

To: Chairman Sen. Donovan Dela Cruz
Vice-Chair Senator Gilbert Keith-Agaran
Members of the Committee on Ways and Means

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Biofuel production has the very real potential to stimulate further the economy by creating new industries in forestry, manufacturing, farming, energy, etc., as well as provide the fuel to provide associated new construction and permanent jobs in Hawaii, particularly in economically depressed areas.

With limited incentives from the state and federal governments, increasing the renewable fuel tax credit and making the tax credit permanent will further encourage and support investment in renewable fuel production in Hawaii and help to provide a sustainable future for our state.

I have had the unique opportunity of being a resident of the Pepeekeo community for the past 35 years. My family and I have been through the demise of the plantation era and now the revival of the facility that has sustained the lifestyle and futures of countless families along the Hamakua Coast for several generations. It presents the opportunity to once again provide for the future generations of Hawaii Island and the state. It is heartwarming to see the strong commitment by Honua Ola to malama our aina, keiki, kanaka and kupuna.

Mahalo for the opportunity to provide testimony.



Lorraine Mendoza, Community Liaison

Honua Ola

P. O. Box 8 Pepeekeo, HI 96783

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

To: Chairman Sen. Donovan Dela Cruz
Vice-Chair Senator Gilbert Keith-Agaran
Members of the Committee on Ways and Means

RE: Senate Bill 3077 SD1
A Bill Relating to an Act Relating to Biofuels

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Biofuel production has the very real potential to stimulate further the economy by creating new industries in forestry, manufacturing, farming, energy, etc., as well as provide the fuel to provide associated new construction and permanent jobs in Hawaii, particularly in economically depressed areas.

With limited incentives from the state and federal governments, increasing the renewable fuel tax credit and making the tax credit permanent will further encourage and support investment in renewable fuel production in Hawaii and help to provide a sustainable future for our state.

The revival of the facility that has sustained the lifestyle and futures of countless families along the Hamakua Coast for several generations presents the opportunity to once again provide for the future generations of Hawaii Island and the state. It is heartwarming to see the strong commitment by Honua Ola and others to malama our aina, keiki, kanaka and kupuna.

Mahalo for the opportunity to provide testimony.



STAN SATO

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

**To: Chair Dela Cruz, Vice Chair Keith-Agaran
Members of the Committee on Ways and Means**

I am submitting testimony in support SB3077 SD1.

The passage of this bill will benefit Hawaii island because of the abundance of biomass/biofuel resources available on the island. Biomass is a renewable, clean, sustainable energy crop that will feedstock the Honua Ola biomass firm power facility located in Pepeekeo, Hawaii, as well as contribute to the state's goal of 100% renewable energy. Biofuel technology is needed for the Honua Ola biomass power facility to produce firm power.

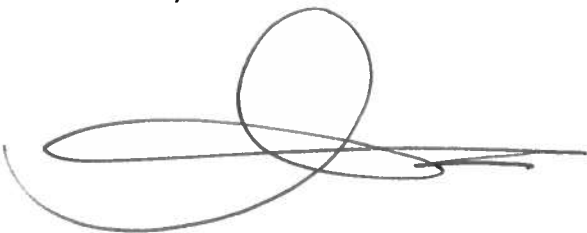
Biofuel production can also create new industries in forestry, manufacturing, farming, energy, etc., and create associated new construction and permanent jobs in Hawaii, particularly in economically depressed areas.

Biofuel has very little state or federal incentives. Increasing the renewable fuel tax credit and making the tax credit permanent will further encourage investment in renewable fuel production in Hawaii.

I grew up in the Pepeekeo community and I am please with this effort to preserve and sustain our aina for our future generations.

Thank you for the opportunity to provide testimony.

Aloha,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a smaller loop.

Tanya Sato

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

To: Chairman Sen. Donovan Dela Cruz
Vice-Chair Senator Gilbert Keith-Agaran
Members of the Committee on Ways and Means

RE: Senate Bill 3077 SD1
A Bill Relating to an Act Relating to Biofuels

Aloha,

I am submitting testimony in support of SB3077 SD1.

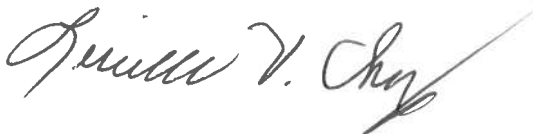
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Biofuel production has the very real potential to stimulate further the economy by creating new industries in forestry, manufacturing, farming, energy, etc., as well as provide the fuel to provide associated new construction and permanent jobs in Hawaii, particularly in economically depressed areas.

With limited incentives from the state and federal governments, increasing the renewable fuel tax credit and making the tax credit permanent will further encourage and support investment in renewable fuel production in Hawaii and help to provide a sustainable future for our state.

The revival of the facility that has sustained the lifestyle and futures of countless families along the Hamakua Coast for several generations presents the opportunity to once again provide for the future generations of Hawaii Island and the state. It is heartwarming to see the strong commitment by Honua Ola and others to malama our aina, keiki, kanaka and kupuna.

Mahalo for the opportunity to provide testimony.



Lucille Chung

Testimony to the Senate Committee on Ways and Means

Thursday, February 23, 2018 10:00 a.m.

Conference Room 211, State Capitol

RE: Senate Bill 3077 SD1

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Vice-Chair Senator Gilbert Keith-Agaran
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Jaydi Lynn Veriato Souza
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