

**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lt. Governor



**PHYLLIS SHIMABUKURO-GEISER**  
Chairperson, Board of Agriculture

**MORRIS M. ATTA**  
Deputy to the Chairperson

State of Hawaii  
**DEPARTMENT OF AGRICULTURE**  
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**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER  
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE HOUSE COMMITTEE ON AGRICULTURE**

**MARCH 16, 2022  
10:00 A.M.**

**CONFERENCE ROOM 325 & VIA VIDEOCONFERENCE**

**SENATE BILL NO. 2622 SD1  
RELATING TO BIOFUELS**

Chairperson Hashem and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 2622 SD1. The bill establishes and appropriates moneys for a two-year pilot project to grow biodiesel crops on the island of Molokai and requires a report to the Legislature. The Department appreciates the intent of this measure to expand Molokai's economy by creating a biodiesel crop industry and offers comments.

Local agricultural production is critical to the diversification of Hawaii's economy. The intersection of agricultural production to produce feedstock that would be processed into biofuels such as diesel and perhaps other value-added products could be advantageous to farmers, feedstock processors, employment, and perhaps even the environment.

However, the Department is not capable of undertaking the proposed two-year pilot project to grow biodiesel crops on the island of Molokai on its own with existing resources and staff. Biofuel feedstock cultivation and processing requires a



multidisciplinary skillset that includes not only agriculture but also emerging technologies and energy production. Moreover, the likely development of a research plan to ensure the outcomes of the project can be applied to subsequent decisions for other initiatives effectively requires research and analytical capabilities currently lacking in the Department. If the Committee is inclined to move this measure forward, the Department will need to collaborate with UH CTAHR and the Department of Business Economic Development and Tourism to grow crops deemed agronomically suited to Molokai and compatible with the renewable energy industry.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
DIRECTOR

GLORIA CHANG  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON AGRICULTURE  
ON  
SENATE BILL NO. 2622, S.D. 1

**March 16, 2022**  
**10:00 a.m.**  
**Room 325 and Videoconference**

RELATING TO BIOFUELS

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2622, S.D. 1, establishes a two-year pilot project within the Department of Agriculture (DOA) to grow crops on Moloka'i for the production of biodiesel fuels; requires the DOA to submit a report of its findings and recommendations to the Legislature no later than 20 days prior to the convening of the 2024 Regular Session; and appropriates an unspecified amount of general funds in FY 23 to implement the pilot program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

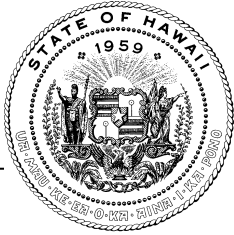
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**HOUSE COMMITTEE ON AGRICULTURE**

Wednesday, March 16, 2022  
10:00 AM  
State Capitol, Conference Room 325 & Videoconference

**SUPPORT  
SB 2622 SD1  
RELATING TO BIOFUELS.**

Chair Hashem, Vice Chair Perruso, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports SB 2622, SD1, which establishes and appropriates moneys for a 2-year pilot project to grow biodiesel crops on the island of Moloka'i and requires a report to the Legislature.

Biofuels can have an important role in energy resilience and security by being readily available during emergencies and a "drop in" fuel for power plants on neighbor islands and medium- and heavy-duty vehicles needed to help clear roads and waters of debris and transport emergency equipment.

HSEO is supportive of efforts by Moloka'i communities to identify energy opportunities that could provide local jobs and economic benefits, as well as increased energy resilience. HSEO has been impressed with the efforts on Moloka'i, including those of the Moloka'i Clean Energy Hui, to identify, understand and develop a variety of energy options for the island. HSEO believes that projects such as this can further Moloka'i energy transformation. HSEO recommends a more flexible timeline to allow for planning, implementation, growing of the crops and reporting.

HSEO defers to the appropriate agency for comment on budget and implementation. Thank you for the opportunity to testify.



# Biotechnology Innovation Organization

Testimony from Gene Harrington, Senior Director Government Affairs, BIO

In support of SB 2622 – Relating to Biofuels

Wednesday, March 16, 10 am, Via Zoom

House Committee on Agriculture

Aloha Chair Hashem and members of the committee,

BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. Our key areas of focus are health biotechnology, industrial and environmental biotechnology, and food and agriculture biotechnology. We are in strong support of SB 2622.

We believe this bill is an integral tool to help the state achieve its policy goal of 100 percent renewable energy by 2045 and will contribute to the production of renewable fuels in support of the state's clean energy and carbon reduction goals.

Mahalo for your consideration.



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March 14, 2022

## TESTIMONY ON SB 2622, RELATING TO BIOFUELS

### SUPPORT

Rep. Mark J. Hashem, Chair

Rep. Amy A. Perruso, Vice Chair

Committee on Agriculture

Hearing: Wednesday, March 16, 2022 at 10AM, Conf Room 325 and via Videoconference

Aloha Chair Hashem, Vice Chair Perruso and Members of the Committee,

Pacific Biodiesel **strongly supports SB 2622**, which seeks to establish and appropriate moneys for a 2-year pilot project to grow biodiesel crops on the island of Molokai.

Biodiesel has one of lowest carbon footprints of any fuel. At Pacific Biodiesel, when we make this 100% renewable fuel out of used cooking oil, it keeps that potentially hazardous waste out of the landfill. As part of our regenerative farming process, when we make biodiesel from virgin oils, like sunflower oil, we let the plants do the hard work of converting sunlight into energy as they sequester CO<sub>2</sub> from the atmosphere. Our biodiesel operation is demonstrating a “net carbon negative” renewable fuel system that’s a beneficial circular economy model for Hawaii.

At last November’s United Nations global climate conference, COP26, Governor Ige made the bold statement that net zero – carbon neutrality – is not enough. Hawaii must pursue climate change solutions that achieve carbon NEGATIVE results. **Community-based agriculture for energy is a powerful, multi-pronged solution for climate change.**

As a Board Member of ICLEI USA, I participated in over a dozen panel discussions at COP26, often mentioning Hawaii’s community-based biodiesel as an example of the circular economy – utilizing local resources to create products, jobs and businesses that benefit that local community through positive economic, social and environmental impacts. The interest in this energy/ag model has continued beyond Scotland, and I have participated in additional international panel discussions as well as [authored papers](#) as requested.

**Supporting community-based biodiesel is a solution that will bring multiple benefits for rural communities like Molokai.**

There are great opportunities for participation at the ground level, as part of the circular economy – through agriculture and local jobs – allowing rural communities to participate in climate mitigation and renewable energy while reaping direct economic benefits. The current fossil fuel infrastructure (ie. gas stations) could easily be repurposed for biofuels, and the firm energy for back-up power generation, and especially evacuation movements, provided by locally produced biofuels will be critical to disaster response!

Last month, Agriculture Secretary Tom Vilsack noted the benefits of biofuels to support a circular economy during a hearing held by the House Agriculture Committee. [Biodiesel Magazine reported](#) Vilsack stressed the need to “create a circular economy where wealth is created and stays in rural areas.” He said, “Biofuels is one example, but there are a multitude of ways in which we can convert agricultural waste products into a wide variety of things beyond renewable energy and fuel, to include chemicals, materials, fabrics, fibers—again creating opportunities for farmers and additional income sources as well as rural jobs.”

Vilsack also emphasized that climate change creates opportunities for the ag sector. “As we look at ways in which rural lands can be used to sequester carbon—as we embrace climate smart agricultural practices—it opens up a whole new vista of opportunity for farmers to essentially be paid for the carbon sequestration that they are currently doing and will do in the future,” he said.

[Biodiesel – made from sustainably farmed biofuel crops](#) – provides a critical firm power source that provides a reliable backup to other renewables in Hawaii like solar and wind that fluctuate in availability. Locally produced biodiesel directly supports energy security in our island state, while keeping revenues local, and allows for an *immediate* reduction of greenhouse gas emissions when this clean fuel replaces petroleum diesel (fossil fuel) in existing diesel engines.

Last summer, a [California Air Resources Board \(CARB\) report](#) shared findings that **total greenhouse gas (GHG) reductions from biomass-based diesel were 3x the total reductions from electric vehicles**. In Hawaii, where the carbon intensity of our electricity grid is significantly higher than the US average, the assumption would be an even greater GHG reduction with the use of 100% biodiesel compared to EVs charged by an electricity grid that’s currently only 30% powered by renewables. We cannot and should not sit back and wait for the perfect silver bullet. The State must get serious, soon, about requiring a lifecycle GHG reduction analysis on its solely “zero emission” strategies: ***Before Hawaii spends millions on a single mandated technology, what are the real gains, the true lifecycle costs and the comparative benefits to Hawaii’s environment and local economy?***

Mitigations to climate change need to include a just transition. Inflexible solutions often leave behind less fortunate, vulnerable populations. If you already own a diesel vehicle, it’s a huge burden to buy an electric vehicle when you could just change to a fuel with even higher greenhouse gas reductions that also supports local jobs, revenue and energy security. There are still diesel vehicles rolling out of factories that will be around for another 30 to 40 years.

Local agriculture for food and biofuels will enable Molokai to help strengthen a circular economy in Hawaii and contribute to swift climate action solutions.

Mahalo for the opportunity to provide testimony on this important topic.

Mahalo,

Kelly King  
Co-Founder  
Pacific Biodiesel





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March 16, 2022

HEARING BEFORE THE  
HOUSE COMMITTEE ON AGRICULTURE

**TESTIMONY ON SB 2622, SD1**  
**RELATING TO BIOFUELS**

Room 325 & Videoconference  
10:00 AM

Aloha Chair Hashem, Vice-Chair Perruso, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

**The Hawaii Farm Bureau supports SB 2622, SD1**, which establishes and appropriates funding for a 2-year pilot project to grow biodiesel crops on the island of Molokai.

Renewable energy is important to the State's energy goals. Biofuels can play a critical role in helping Hawaii reach the goal of one hundred percent renewable energy by 2045, help to diversify Hawaii's economy and agricultural sector, reduce greenhouse gas emissions, and reduce our dependence on imported oil.

HFB supports the production of dedicated energy crops, crop residues, and agricultural wastes into economically and environmentally sustainable biofuels and value-added by-products such as livestock feed.

Thank you for the opportunity to testify on this measure of great importance.

# Hawaii Bioeconomy Trade Organization

**THE SENATE**  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2022

## House Committee on Agriculture

### **TESTIMONY ON SENATE BILL NO. SB 2622**

Position: **Support**

To the Honorable Representative Nicole Lowen, Chair and Representative Lisa Marten, Vice Chair; and Members of the Energy and Environmental Protection Committee:

The Hawaii Bioeconomy Trade Organization (HBeTO) is a 501 (c) (6) non-profit trade organization dedicated to advancement of integrated biologically-based systems which produce products and services to re-use waste and make renewable fuel, local food, and value-added products in Hawaii.

HBeTO provides a forum for business, logistics, technical, and policy coordination between established and new businesses in the State of Hawai'i to produce sustainable, reliable, and locally produced renewable fuel and energy, food, feed, and consumer goods from plant matter and natural biological materials and wastes.

The organization seeks to develop beneficial collaborations which innovate re-use of existing infrastructure and industrial systems to reduce lifecycle greenhouse gases relative to imported petroleum energy and food products, support the state's economic development through use of agricultural land for agribusiness activities, improve resident as well as visitor quality of life, integrate and support Hawaii's visitor industry through meaningful eco-tourism, and apply science and data-based best practices to re-use waste as well as restore agricultural land, watersheds, and indigenous ecosystems.

[Thank you for your consideration of this testimony.](#)

Regards,

Carl Campagna  
Executive Director  
[carl@hawaiiioeconomy.org](mailto:carl@hawaiiioeconomy.org)

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
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Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
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[www.MauiCounty.us](http://www.MauiCounty.us)

March 14, 2022

TO: Honorable Mark J. Hashem, Chair  
House Committee on Agriculture

FROM: Alice L. Lee  
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

DATE: March 14, 2022

SUBJECT: **SUPPORT OF SB 2622, SD1, RELATING TO BIOFUELS**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to establish a two-year pilot project to grow biodiesel crops on the island of Molokai.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **SUPPORT** this measure for the following reasons:

1. The growth of crops for biodiesel fuels will benefit the County by creating jobs, reducing food and fuel imports, diversifying the County's economy, and helping to reaching the State's mandate of 100 percent renewable energy by 2045.
2. Biodiesel, made from plant-based oils and animal fats, offers a safe and sustainable alternative to petroleum-based fuels.
3. The solution to reducing petroleum dependence and greenhouse gas emissions includes encouraging the use of biodiesel in diesel engines.

For the foregoing reasons, I **SUPPORT** this measure.

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**SB-2622-SD-1**

Submitted on: 3/15/2022 3:20:10 PM

Testimony for AGR on 3/16/2022 10:00:00 AM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Testify</b>            |
|---------------------|---------------------|---------------------------|---------------------------|
| Andrea Quinn        | Individual          | Support                   | Written Testimony<br>Only |

Comments:

Dear Honorable Committee Members:

Please support SB2622.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui