



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, April 2, 2024
2:00 PM
State Capitol, Conference Room 329 and Videoconference

In Support of
HCR 213, HD1 / HR 193, HD1

**REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A
RENEWABLE LIQUID FUELS WORKING GROUP TO STUDY LOCAL
PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR RENEWABLE LIQUID
FUELS.**

Chair Nakashima, Vice Chair Sayama, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports HCR 213, HD1 / HR 193, HD1, requesting HSEO to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels.

Hawai'i's energy strategy seeks to establish an affordable, clean, resilient, and diversified energy resource portfolio. Locally-produced renewable fuels should play a vital role in the energy mix needed to decarbonize the transportation sector and contribute to Hawai'i's 100% renewable portfolio. However, land availability severely limits the amount of local production towards Hawaii's economic, energy and agricultural objectives. HSEO agrees with the merit of convening local experts to identify potential opportunities, synergies, and barriers for these fuels. HSEO confirms that it can comply with the proposed timeline and intends to provide a progress report to the Legislature prior to the convening of the 2025 Legislative Session.

Renewable liquid fuels have the potential to decrease carbon emissions from transportation, especially in aircraft and medium and heavy-duty vehicles.¹ However, the Decarbonization Report prepared by HSEO pursuant to Act 238 (2022) and submitted to the Hawai'i Legislature in December of 2023 pointed out that renewable liquid fuels have widely varying environmental and cost profiles, depending on a variety of factors. The proposed working group could bring together the appropriate energy stakeholders to meaningfully engage in an analytical review of resource base potential and the most appropriate approaches, strategies, realistic quantities, and associated incentives and recommendations for local production of renewable liquid fuels.

HSEO is committed to the development of effective solutions for renewable liquid fuels that serve Hawai'i's environmental, economic, and community needs, and is already engaged in tracking the production of renewable fuels in Hawai'i. HSEO looks forward to supporting this sector of the energy economy.

Thank you for the opportunity to testify.

¹ Hawai'i State Energy Office (2023). Hawai'i Pathways to Decarbonization Report to the 2024 Hawai'i State Legislature Act 238 (SLH 2022). Available at: https://energy.hawaii.gov/wp-content/uploads/2022/10/Act-238_HSEO_Decarbonization_FinalReport_2023.pdf pages 105 and 113

HCR-213-HD-1

Submitted on: 3/29/2024 9:35:11 AM

Testimony for CPC on 4/2/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Henry Q Curtis	Life of the Land	Oppose	Remotely Via Zoom

Comments:

Aloha Representatives

Biofuels are a broad category of fuels that have low, medium, and high greenhouse gas emissions, land use impacts, displacement of food production, cultural impacts, use of pesticides and fertilizers, etc.

The bill proposes that the community members are almost all strong advocates of biofuels. This imbalance is not equitable nor in the public interest.

Henry Curtis

Executive Director



P.O. Box 253, Kunia, Hawai'i 96759
Phone: (808) 848-2074; Fax: (808) 848-1921
e-mail info@hfbf.org; www.hfbf.org

April 2, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TESTIMONY ON HCR 213, HD1/HR 193, HD1
REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE
LIQUID FUELS WORKING GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT,
AND INCENTIVES FOR RENEWABLE LIQUID FUELS

Conference Room 329 & Videoconference
2:00 PM

Aloha Chair Nakashima, Vice-Chair Sayama, 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 Hawai'i Farm Bureau supports HCR 213, HD1 and HR 193, HD1, which requests the Hawai'i State Energy Office to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels.

Renewable energy production using biofuels can play a critical role in helping Hawai'i reach the goal of one hundred percent renewable energy by 2045, help to diversify Hawai'i'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 byproducts such as livestock feed.

Finding viable uses for agricultural lands that will encourage environmental sustainability and produce positive economic cash flow for Hawai'i is a critical need. Locally grown biofuel feedstocks offer significant benefits for our farmers. These crops can thrive on marginal land, improving soil health and reducing erosion. They require less water and fertilizer than traditional row crops. By creating a demand for these crops, the renewable fuels industry can revitalize rural communities, create new jobs, and diversify farm income streams. Growing biofuel feedstocks locally helps to create new agricultural jobs, encourages food production, and does not compete with food crops when using oil seed cover crops. HFB believes these feedstocks will be able to provide a quality biofuel product and usable byproducts (such as animal feed) to help support Hawai'i's sustainability goals and agricultural, ranching, and dairy sectors of the local economy.

Thank you for the opportunity to comment on this measure.



April 1, 2024

Testimony on HCR 213 HD1

REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE LIQUID FUELS WORKING GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR RENEWABLE LIQUID FUELS.

COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Rep. Mark M. Nakashima, Chair
Rep. Jackson D. Sayama, Vice Chair

Conference Room 329
State Capitol
415 South Beretania Street

Dear Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Thank you for the opportunity to provide supportive comments on HCR 213 HD1. Airlines for America® (A4A) is the principal trade and service organization of the U.S. airline industry¹. A4A and its members have a strong climate change record and are committed to working across the aviation industry and with government leaders in a positive partnership to achieve net-zero carbon emissions by 2050, which parallels the Biden administration's goal to achieve net-zero greenhouse gas emissions in the aviation sector by 2050.

Airlines, governments and other aviation stakeholders have recognized that achieving net-zero aviation emissions by 2050 will require a very rapid transition from conventional (fossil) jet fuel to sustainable aviation fuel (SAF). SAF is a drop-in fuel, meaning that it works with existing aircraft engines, pipelines, and storage infrastructure, as long as it is blended up to 50% with conventional jet fuel and qualified to the relevant ASTM standards for alternative jet fuel. Work is underway to approve uses up to 100% SAF. SAF can bring meaningful reductions in aviation carbon emissions, reducing lifecycle emissions intensity of fuel up to 80% compared to conventional jet fuel today, with future pathways having potential for 100% reductions.

Ensuring the sustainability and environmental integrity of feedstocks and the production technology pathways is critical to the continued recognition and acceptance of SAF to achieve the carbon emissions reduction ambitions of aviation. We support establishing strong and robust sustainability and technical requirements based on objective criteria and the latest scientific research. A4A and its members are feedstock and technology neutral for SAF production, we

¹ A4A's members are: Alaska Airlines, Inc.; American Airlines Group Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; Federal Express Corporation; Hawaiian Airlines, Inc.; JetBlue Airways Corp.; Southwest Airlines Co.; United Airlines Holdings, Inc.; and United Parcel Service Co. Air Canada, Inc. is an associate member.

firmly believe that any production pathway that can meet robust technical and sustainability requirements should be eligible for incentive programs.

Achieving this rapid transition to SAF requires industry and government to work in partnership, at both the federal and state levels, to expand SAF production capacity across the country. And, we also recognize the unique fiscal challenge the State of Hawai'i is currently facing. A4A and our member airlines value our partnership with the state and believe there is a unique opportunity to jointly develop a market for cost competitive SAF.

Thank you again for the opportunity to provide our support to this effort. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sean Williams', with a stylized, cursive script.

Sean Williams
Vice President, State and Local Government Affairs
swilliams@airlines.org



April 2, 2024

**TESTIMONY IN SUPPORT TO HCR213 / HR193 HD1
REQUESTING THE HAWAII STATE ENERGY OFFICE TO
CONVENE A RENEWABLE LIQUID FUELS WORKING
GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT,
AND INCENTIVES FOR RENEWABLE LIQUID FUELS.**

House Committee on Consumer Protection & Commerce
The Honorable Mark Nakashima, Chair
The Honorable Jackson Sayama, Vice Chair
Tuesday, April 1, 2024, 2:00 pm
VIA VIDEOCONFERENCE
Conference Room 329
State Capitol
415 South Beretania Street

Chair Nakashima, Vice Chair Sayama and members of the Committee,

Island Energy Services (IES) supports the intent of HCR213 / HR193 HD1 to convene a Renewable Liquid Fuels Working Group to study the local production, development and incentives for renewable liquid fuels. IES believes the input from the “Working Group” is a critical step at this time to set in motion a smooth transition to the stated policy of reducing and ultimately eliminating the use of hydrocarbon-based liquid fuels by 2045. Determining the appropriate steps along an orderly pathway, with the least amount of disruption, will require a concerted effort from a broad range of in-state stakeholders likely informed by experiences from outside of Hawaii. Recognizing that the production of the necessary replacement liquid fuels in sufficient quantities cannot be achieved in its entirety via local production, importation will be paramount to any plan to achieve a fossil-free energy system. As a major local fuel supplier, and Hawaii’s premier importer of liquid fuels, IES strongly suggests the list of representatives include an entity with a demonstrated ability to successfully import large cargoes of liquid fuels.

BE IT FURTHER RESOLVED that the chairperson of the working group is requested to invite the following individuals to participate in the working group:

- (1) A representative from the Hawaii Farm Bureau;

- (2) A representative from Airlines for America;
- (3) A representative from Hawaiian Electric;
- (4) A representative from Hawaii Gas;
- (5) A representative from the Kauai Island Utility Cooperative;
- (6) A representative from local feedstock producers;
- (7) A representative from local fuel producers; and
- (8) A representative from a non-profit organization with a focus on climate change mitigation, environmental sustainability, or renewable energy; and
- (9) A representative from a local fuel importer, with state-wide logistical supply and distribution capability; and

IES is a locally managed and headquartered integrated logistics and retail fuel supplier providing over 20% of the liquid energy needs of the State of Hawai'i. Our operations extend across all islands with major assets on Oahu, Maui, Kauai, and Hawaii Island. At IES, our local workforce of 285 employees takes tremendous pride in serving our customers safely, environmentally responsibly, reliably, efficiently with cost competitive products and services. Whether you and your goods are moving by air, land, or sea, IES is there to support island residents now and into the future. As for the future, IES is collaborating with other partners to transition Hawai'i's energy supply to ever cleaner sources of energy including, biofuels such as renewable fuels for electrical power generation, ground and marine transportation and sustainable aviation fuel (SAF) for airplanes.

We thank the House Consumer Protection & Commerce Committee for hearing this bill and thank you for the opportunity to testify.

Albert D.K. Chee, Jr.
Vice President



April 1, 2024

**TESTIMONY IN SUPPORT OF HCR 213 HD1/ HR 193 HD1
REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE LIQUID
FUELS WORKING GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT, AND
INCENTIVES FOR RENEWABLE LIQUID FUELS**

House Committee on Consumer Protection and Commerce (CPC)
The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair

Tuesday, April 2, 2024, 2:00 PM
Conference Room 329 & Videoconference
Hawaii State Capitol; 415 South Beretania Street

Aloha Chair Nakashima, Vice Chair Sayama, and members of the Committee,

Thank you for the opportunity to provide testimony in SUPPORT of HCR 213 HD1 and HR 193 HD1. Pono Pacific supports the creation of a Renewable Liquid Fuels Working Group to study local production, development, and incentives, convened by the Hawai'i State Energy Office. We support this resolution and offer the following comments.

Pono Pacific is the state leader in land management with over 20+ years of experience across the Hawaiian Islands with an emphasis on conservation lands, agriculture, and renewable energy. Pono Pacific has partnered with Par Hawaii to develop a supply of locally grown feedstocks for biofuel production. Locally grown feedstocks will provide farmers with a viable economic commodity to supply the refinery, provide much needed local animal feed, and help put idle lands to work.

Pono Pacific is currently conducting, or will soon be conducting, field trials of Camelina at four sites, including Kuilima Farm on Oahu's North Shore, as well as with partner farmers Mahi Pono on Maui, Meadow Gold Dairies Hawaii on Hawaii Island, and Aloun Farms on Kauai. Our intention is to determine the viability of growing Camelina as a source of locally-produced renewable fuel, including SAF, in different geographic locations and growing conditions. Pono Pacific worked with the Hawaii Natural Energy Institute (HNEI) to assess land areas throughout the State and create a model identifying ideal production sites based on zoning, slope, rainfall, and temperature data. Using this information, we sought out and established relationships with key landowners to begin crop trials. Through our trials, we



are gathering data on methodology, crop management, yield, costs, and mechanization to scale for Camelina production. Seed produced through these trials will be provided to Par Hawaii for quality analysis. Biomass produced will be tilled back into the soil at trial sites to improve soil health and tested for any potential positive impacts to soil conditions, as well as potentially used as animal feed with our crop trial partner Meadow Gold Dairy.

Pono Pacific has gained substantial experience through its ongoing self-performed Camelina crop trials, which we have been working on for a year and have completed several crop rotations. Photo of Camelina at the Kuilima Farm crop trial site:



We offer the following suggested amendment:

Pono Pacific believes the Working Group should be able to complete its work and be in a position to present recommendations to the Legislature in time for the 2025 session.

Thank you for the opportunity to share our support and comments on the Renewable Fuels Working Group.

Mahalo,



Chris Bennett
Vice President of Sustainable Energy Solutions
Pono Pacific Land Management, LLC



April 2, 2024

**TESTIMONY IN SUPPORT OF HCR 213 / HR 193
REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A
RENEWABLE LIQUID FUELS WORKING GROUP TO STUDY LOCAL
PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR RENEWABLE LIQUID
FUELS.**

House Committee on Consumer Protection & Commerce
The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair

Tuesday, April 2, 2024, 2:00 PM
Conference Room 329 & Videoconference
Hawaii State Capitol; 415 South Beretania Street

Aloha Chair Nakashima, Vice Chair Sayama, and members of the Committee,

Thank you for the opportunity to provide testimony in support of HCR 213 / HR 193.

Par Hawaii supports HCR 213 / HR 193 and appreciates the Legislature taking the lead to initiate a Renewable Liquid Fuels Working Group to study local production, development, and incentives, convened by the Hawai'i State Energy Office. We support the resolutions and offer the following comments.

This working group will be critical to accelerating our state's adoption of renewable liquid fuels to reduce our dependency on fossil fuels and the carbon intensity of the transportation sector. The working group will enable Hawai'i to keep pace with other forward-looking states that have adopted incentives to support the production and use of renewable liquid fuels, including sustainable aviation fuel (SAF) and renewable diesel.

As noted in the resolution, the transportation sector, particularly aviation, contributes significantly to greenhouse gas emissions. A coalition of local companies - Par Hawaii, Hawaiian Airlines and Pono Pacific, working with a broad range of stakeholders, is making headway to decarbonize air transportation, an area of vital importance to our local economy.

We offer the following suggested amendments:

1. First, we ask the committee to consider adding a working group representative from Par Hawaii. As the state's local fuel provider, and the only company capable of producing SAF and renewable diesel locally, we believe it is vital that Par Hawaii is included in the Working Group.
 - a. We suggest that local biofuel producer Pacific Biodiesel also be named to the Working Group.



2. The composition of the working group currently proposes to include a “representative from local feedstock producers.” Par Hawaii believes it is necessary to include Pono Pacific to the working group as a local feedstock producer. Par Hawaii, Hawaiian Airlines, and Pono Pacific are boldly committed to developing local sources of plant-based feedstock to facilitate the production of SAF and other renewable fuels to reach our state’s net zero greenhouse gas emission goal. Oil crop field trials are already underway with land and farming partners on Hawaii Island, Kauai, Maui and Oahu.
3. Finally, Par Hawaii believes the Working Group should be able to provide a status update at the beginning of the 2025 legislative session. The Working Group can build on recent comprehensive studies on renewable fuels by the State Energy Office, Hawaii Climate Change Mitigation & Adaptation, Hawaii Electric Company, and Hawaiian Airlines.

Beginning on page 4, line 4, requesting the following:

(1) A report providing an update of its work and interim progress report and proposed recommendations no later than ~~December 1, 2025~~ January 1, 2025; and

(2) A final report of its findings and recommendations, including any proposed legislation, no later than ~~December 1, 2026~~ January 1, 2026; and

Rather than recreate what has already been studied, the work group can build on the solid foundation of these studies to expedite reports and recommendations to the Legislature.

- a) Hawai'i Pathways to Decarbonization Act 238, Session Laws of Hawai'i 2022 Report to the State Legislature, conducted by Energy and Environmental Economics, Inc. (E3) and commissioned by December 2023' conducted by Legislature, December 2023.¹
- b) Hawai'i Climate Change Mitigation & Adaptation Commission: Hawai'i Priority Climate Action Plan, contracted Hua Nani Partners and modeling work by Energy and Environmental Economics, Inc. (E3), March 2024.²
- c) Catalyzing Sustainable Aviation Fuel in Hawaii, an ICF report for Hawaiian Airlines, June 2023.
- d) Hawai'i Pathways to Net Zero, An Initial Assessment of Decarbonization Scenarios, conducted by Energy and Environmental Economics, Inc. (E3) and commissioned by Hawaiian Electric Company, April 2023.

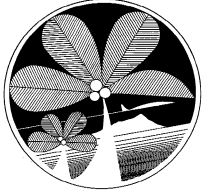
¹ https://energy.hawaii.gov/wp-content/uploads/2022/10/Act-238_HSEO_Decarbonization_FinalReport_2023.pdf

² <https://climate.hawaii.gov/wp-content/uploads/2024/03/Hawaii-PCAP-FINAL-March-1-2024-1-3.pdf>



Thank you for the opportunity to share our input and comments on the Renewable Fuels Working Group.

AIRLINES COMMITTEE OF HAWAII



Daniel K. Inouye International Airport
300 Rodgers Blvd., #62
Honolulu, Hawaii 96819-1832
Phone (808) 838-0011
Fax (808) 838-0231

Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair
Committee on Consumer Protection & Commerce

Tuesday, April 2, 2024; 2:00 p.m.
Conference room 329 & Videoconference

RE: HCR 213 HD1/HR 193 HD1 Requesting the Hawaii State Energy Office to Convene a Renewable Liquid Fuels Working Group to Study Local Production, Development, and Incentives for Renewable Liquid Fuels – IN SUPPORT, REQUEST AMENDMENT

Aloha Chair Nakashima, Vice Chair Sayama, and members of the Committee:

The Airlines Committee of Hawaii (ACH), comprised of 20 signatory air carriers that serve the State of Hawaii, appreciates the opportunity to offer testimony in support of HCR 213 HD1 and HR 193 HD1 - Requesting the Hawaii State Energy Office to Convene a Renewable Liquid Fuels Working Group to Study Local Production, Development, and Incentives for Renewable Liquid Fuels.

As the ACH represents both domestic and international carriers, and sustainable aviation fuel initiatives are a priority of our industry, we would like to request an amendment to include a representative from the ACH be invited to participate in the working group.

Thank you for the opportunity to submit testimony. We ask for your favorable consideration in passing these resolutions with our requested amendment.

Sincerely,

Airlines Committee of Hawaii Executive Committee

Handwritten signature of Brendan Baker in black ink.

Brendan Baker

Handwritten signature of Mark Berg in black ink.

Mark Berg

Handwritten signature of David Sellers in blue ink.

David Sellers

Handwritten signature of Randall Fiertz in black ink.

Randall Fiertz

Handwritten signature of Richard Ide in black ink.

Richard Ide

**ACH members are Air Canada, Air New Zealand, Alaska Airlines, All Nippon Airways/Air Japan, Aloha Air Cargo, American Airlines, China Airlines, Delta Air Lines, Federal Express, Fiji Airways, Hawaiian Airlines, Japan Airlines, Korean Airlines, Philippine Airlines, Qantas Airways, Southwest Airlines, Sun Country, United Airlines, United Parcel Service, and WestJet.*



April 2, 2024

**TESTIMONY IN SUPPORT OF HCR 213 / HR 193
REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE
LIQUID FUELS WORKING GROUP TO STUDY LOCAL PRODUCTION,
DEVELOPMENT, AND INCENTIVES FOR RENEWABLE LIQUID FUELS.**

House Committee on Consumer Protection & Commerce
The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice Chair

April 2, 2024, 2:00pm
Conference Room 329
State Capitol 415 South Beretania Street

Chair Nakashima, Vice Chair Sayama, and members of the Committee,

Thank you for the opportunity to provide testimony in SUPPORT of HCR 213 / HR 193.

HCR 213 / HR 193 requests the Hawaii State Energy Office to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels in Hawaii. We support the creation of this working group, which contemplates representation from diverse stakeholders, including airlines, fuel producers, utilities, agriculture and state government, to evaluate existing and potential new incentives for the development and utilization of renewable liquid fuels in Hawaii. We appreciate the opportunity for the airline industry, represented by Airlines for America or one of its member carriers, to have a seat at the table on this working group and contribute to the advancement of this important topic.

Aviation emissions represent a very small part of overall global carbon emissions. Nonetheless, aviation represents a higher proportion of Hawaii's fossil fuel usage, given our unique dependence on air transportation and relatively limited utilization of road fuel. Within Hawaii, it is worth noting that aviation fuel usage is driven predominantly (estimated about 90%) by long-haul travel; with its short flight distances, the intrastate flying on which our community depends drives relatively little fuel consumption. In order to address the existential threat of human-caused climate change, airlines in the U.S. have all committed to reach net-zero in the decades to come.

In line with the broader aviation industry, we view sustainable aviation fuel (SAF) as the most promising technology to advance aviation decarbonization. The U.S. airline industry has pledged to work with government leaders and other stakeholders to make 3 billion gallons of cost-competitive SAF available to U.S. aircraft operators in 2030. SAF is a proven, drop-in fuel, meaning that it is certified for use in existing aircraft engines, pipelines, and storage infrastructure, as long as it is blended up to 50% with conventional jet fuel. SAF can bring meaningful reductions in aviation carbon emissions, with lifecycle emissions intensity up to 50 to 80% lower than conventional jet fuel.

The reality is that while promising alternatives to jet engines lie beyond the horizon, the commercial aviation industry's excellent safety record relies on incremental adoption of new technology. The advantage of SAF is that it is already being used in today's aircraft and engines,



which makes it one of the only credible means of reaching decarbonization goals between now and 2050.

The challenge with SAF is that it is not yet commercially viable, and it is not available at scale, and therefore incentives are needed to drive adoption in the near term. Objective economic analyses have demonstrated that the higher cost of SAF vs. jet fuel today is driven by two factors: (1) the maturity of manufacturing technologies, and (2) the lack of scale in production. Incentives and credits, therefore, are not a perpetual need but a bridge to get biofuel production to maturity and scale, when it can compete successfully against traditional petroleum-based fuels.

Other U.S. states, such as California, Oregon, Washington, Illinois and Minnesota, provide state-level incentives to advance SAF in their states. The State of Hawaii has established an ambitious target to achieve economy-wide net-zero emissions by 2045, and aviation emissions comprise about 50 percent of Hawaii's transportation emissions. If Hawaii wants to attract supply of SAF to address its aviation emissions, it will need incentives that are competitive with other U.S. states. As long as there is scarcity of supply, volume will go to the markets which provide the most value.

HCR 213 / HR 193 is opportunity to bring together diverse stakeholders and align industry and government on the development of incentives needed to decarbonize our economy in Hawaii, particularly in the aviation sector which has been deemed a 'hard to decarbonize' sector, while supporting economic development in our state.

Thank you for the opportunity to provide testimony in SUPPORT of this resolution.

Mahalo,

Alanna James
Managing Director, Sustainability Initiatives
Hawaiian Airlines



Testimony of
ALASKA AIRLINES

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, April 2, 2024, 2:00 p.m.
Hawai'i State Capitol, Room 329

in consideration of
HCR 213 / HR 193

**REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE LIQUID FUELS
WORKING GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR
RENEWABLE LIQUID FUELS.**

Aloha Chair Nakashima, Vice Chair Sayama, and Members of the Committee,

Alaska Airlines supports [House Concurrent Resolution 213 / House Resolution 193](#), which requests the Hawai'i State Energy Office to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels. The convening of this proposed working group is critical to best facilitate and incentivize the production of a range of renewable liquid fuels in Hawai'i, including sustainable aviation fuel (SAF).

Emphasizing the critical need to increase the production and utilization of sustainable aviation fuel in Hawai'i is crucial to our industry's combined efforts to reduce our carbon footprint and better support the state's broader sustainability goals. Given the aviation sector's limited alternatives to petroleum-based jet fuel, it is our earnest hope that this proposed working group will place SAF at the forefront of its discussions.

Mahalo for the opportunity to testify on this measure.

HCR-213-HD-1

Submitted on: 4/1/2024 8:32:10 AM

Testimony for CPC on 4/2/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

WE NEED TO STUDY EVERY RENEWABLE FUEL POSSIBLE.

MAHALO!