



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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MARK B. GLICK  
CHIEF ENERGY OFFICER

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Testimony of  
**MARK B. GLICK, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Wednesday, April 17, 2024  
1:00 PM  
State Capitol, Conference Room 225 and Videoconference

In Support of  
**HCR 213, HD2**

**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 DeCoite, Vice Chair Wakai, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports, with amendments, HCR213, HD2, requesting HSEO to convene a renewable liquid fuels working group to study local production and potential incentives for renewable liquid fuels for use in the transportation sector.

Hawai'i's energy strategy seeks to establish an affordable, clean, resilient, and diversified energy resource portfolio. HSEO acknowledges that 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 to the extent possible while balancing food and energy security policy objectives. However, land availability severely limits the amount of local production towards Hawai'i's economic, energy and agricultural objectives. HSEO finds merit in convening local experts to openly review and assess the analytical basis of potential opportunities, synergies, and barriers for these fuels.

Renewable liquid fuels have the potential to decrease carbon emissions from transportation, especially in aircraft and medium and heavy-duty vehicles. 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.<sup>1</sup> The proposed working group could bring together the appropriate energy stakeholders to meaningfully engage in a 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 notes that the scope for this unfunded, multi-part evaluation, involving numerous parties, is very broad. In order to provide a more focused evaluation, consistent with the stated objectives of the resolution and with a greater chance of reportable results within the timeframe, HSEO recommends narrowing the scope; providing for an interim report, with recommendations, by January; and providing a final report twelve months later. This way, any topics that are still under discussion in the first phase can be presented in draft form, at least, by January, including supporting information as it exists at the time.

In support of this, HSEO respectfully recommends the following changes to the measure.

To narrow the scope to focus on fuels for the transportation sector, HSEO recommends removing the text on page 3, lines 2 through 7:

~~(3) A representative from Hawaiian Electric;~~  
~~(4) A representative from Hawaii Gas;~~  
~~(5) A representative from the Kauai Island Utility Cooperative;~~

To further clarify and narrow the scope, HSEO recommends that the working group topics (1) and (2) be combined, (3) be revised, and (4) be deleted from this measure due to time and resource constraints. Beginning on page 3, starting on line 22, the new item would read as follows:

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<sup>1</sup> 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](https://energy.hawaii.gov/wp-content/uploads/2022/10/Act-238_HSEO_Decarbonization_FinalReport_2023.pdf) pages 105 and 113

BE IT FURTHER RESOLVED that the working group is requested to:

- (1) ~~[Facilitate]~~ Identify potential feedstocks and production technologies suitable for the local production of renewable liquid fuels, including renewable diesel, naphtha, and sustainable aviation fuels;
- (2) ~~[Identify potential feedstock and production technologies suitable for production and use within the State;]~~ Identify costs, benefits, and risks of local renewable liquid fuel production; and
- (3) Evaluate existing and potential new ~~[tax]~~ incentives for the development and utilization of renewable liquid fuels in Hawaii ~~;~~ and
- ~~(4) Evaluate the adoption of a clean fuel standard to incentivize the use of renewable liquid fuels];~~

To enable the production of an interim report with recommendations by January, including supporting information as it exists at the time, HSEO recommends the following insertion on page 3, line 43:

BE IT FURTHER RESOLVED that the working group is requested to submit to the Governor and Legislature ~~[a]~~:

- (1) A report providing an update of its work and progress no later than January 1, 2025; and

To ensure time for report production, HSEO recommends the following revision beginning on page 3, line 44:

- (2) A final report of its findings and recommendations, including any proposed legislation, no later than January 1, 2025~~6~~; and

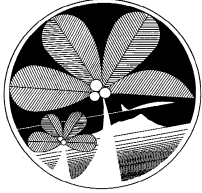
Finally, for consistency with the focus on transportation, HSEO recommends the following deletions on page 4, beginning on line 11:

~~President and Chief Executive Officer of Hawaiian Electric;  
President and Chief Executive Officer of Hawaii Gas; and  
President and Chief Executive Officer of Kauai Island  
Utility Cooperative.~~

HSEO is committed to the near-term development of effective solutions for renewable liquid fuels that foster affordability, lower carbon intensity of our existing fuel mix, and energy security and access to capital to move forward Hawai'i's energy transition. HSEO looks forward to supporting this sector of the energy economy.

Thank you for the opportunity to testify.

# 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

Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair  
Committee on Energy, Economic Development, and Tourism

Wednesday, April 17, 2024; 1:00 p.m.  
Conference room 225 & Videoconference

**RE: HCR 213 HD2 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 DeCoite, Vice Chair Wakai, 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 HD2 - 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 this resolution with our requested amendment.

Sincerely,

Airlines Committee of Hawaii Executive Committee

A handwritten signature in black ink, appearing to read "B. Baker".

Brendan Baker

A handwritten signature in black ink, appearing to read "Mark Berg".

Mark Berg

A handwritten signature in blue ink, appearing to read "David Sellers".

David Sellers

A handwritten signature in black ink, appearing to read "Randall Fiertz".

Randall Fiertz

A handwritten signature in black ink, appearing to read "Richard Ide".

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.*

NESTE

NESTE

Committee on Energy, Economic Development, and Tourism  
Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair

April 17, 2024  
1:00 p.m.  
Conference Room 225

Thank you for the opportunity to submit comments in **support of HCR 213\_HD2**. My name is Cristina Cornejo and I am a Public Affairs Manager for Neste, the world's leading producer of sustainable aviation fuel and renewable diesel.

The working group created by HCR 213\_HD2 is a critical first step in creating future policies for Hawai'i that are focused on reducing carbon emissions, while simultaneously reducing air and water pollution from the use of fossil fuels. As a key member of collaborative efforts like this across the United States, our company believes in a cooperative effort from a wide range of stakeholders that each have a set of unique experiences and expertise that can support the state with renewable fuels policies.

We would like to ask the committee to consider the following amendment to HCR 213\_HD2:

- 1. Inclusion of a representative from an entity that has at least 15 years of experience and expertise in producing renewable liquid transportation fuels.*

Thank you to the Senate Committee on Energy, Economic Development, and Tourism for consideration of HCR 213\_HD2. We greatly appreciate the opportunity to submit comments in support of this resolution.

Cristina Cornejo, Public Affairs Manager, Neste

*Neste Background*

*Neste creates solutions for combating climate change and accelerating a shift to a circular economy. The company refines waste, residues and innovative raw materials into renewable fuels and sustainable feedstock for plastics and other materials.*

*As the world's leading producer of sustainable aviation fuel and renewable diesel and a forerunner in developing renewable and circular feedstock solutions for polymers and chemicals, Neste helps its customers to reduce their greenhouse gas emissions by at least 20 million tons annually by 2030.*

*Neste is committed to reaching carbon-neutral production by 2035 and will reduce the carbon emission intensity of sold products by 50% by 2040.*



April 16, 2024

**TESTIMONY IN SUPPORT OF HCR 213 HD2  
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 Energy, Economic Development and Tourism (EET)  
The Honorable Lynn DeCoite, Chair  
The Honorable Glenn Wakai, Vice Chair

Wednesday, April 17, 2024, 1:00 PM  
Conference Room 225 & Videoconference  
Hawaii State Capitol; 415 South Beretania Street

Aloha Chair DeCoite, Vice Chair Wakai, and Members of the Committee,

Thank you for the opportunity to provide testimony in SUPPORT of HCR 213 HD2. 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.

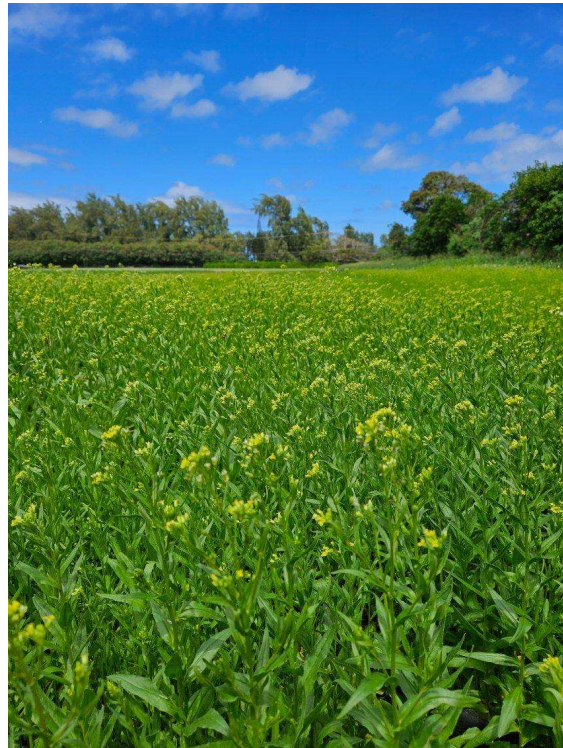
Pono Pacific is the state leader in land management with over 20+ years of experience across the Hawaiian Islands with an emphasis on conservation lands, agriculture, and renewable energy. Pono Pacific has partnered with Par Hawaii to develop a supply of locally grown feedstocks for biofuel production. 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 Kulima Farm crop trial site:







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 17, 2024

**TESTIMONY IN SUPPORT OF HCR 213 HD2  
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.**

Senate Committee on Energy, Economic Development, and Tourism  
The Honorable Lynn DeCoite, Chair  
The Honorable Glenn Wakai, Vice Chair

April 17, 2024, 1:00pm  
Conference Room 225  
State Capitol 415 South Beretania Street

Chair DeCoite, Vice Chair Wakai, and members of the Committee,

Thank you for the opportunity to provide testimony in SUPPORT of HCR 213 HD2.

HCR 213 HD2 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 HD2 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 to The Committee on Energy, Economic Development, and Tourism  
April 17, 2024 1:00 PM  
Conference Room 225 & VIA videoconference  
Hawaii State Capitol**

**HCR 213 HD2**

Chair DeCoite, Vice Chair Wakai and members of the committee,

Hawaii Gas **supports** HCR 213 HD2 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.

Since 1904, Hawaii Gas has been a pioneer in the gas industry. Hawaii Gas is again at the leading edge of our industry given our integration of both renewable natural gas (RNG) and hydrogen into our fuel supply mix and distributing it through our utility pipeline system. Hawaii Gas plays a vital role in Hawaii's energy portfolio by providing clean, reliable, and cost-effective energy to over 70,000 customers on all islands, all of whom depend on the company for water heating, cooking, drying, and other commercial and industrial applications. Hawaii Gas continues to look towards new, innovative, and economic ways to incorporate renewable energy sources while also reducing our greenhouse gas emissions.

Renewable liquid fuels, including renewable diesel, naphtha, and sustainable aviation fuels, offer technical solutions for the State to achieve its goal of net zero greenhouse gas emissions while ensuring energy security and fostering economic growth.

The transition to biofuels presents a significant opportunity for Hawaii to reduce its dependency on fossil fuels and mitigate the impacts of climate change. The cultivation of renewable fuels will need the knowledge and expertise of both the producer of fuels as well as the purchaser of the fuels. This resolution recognizes the technical requirements of both as well as the important interdependence of each to create a viable plan. By leveraging Hawaii Gas's technical knowledge and infrastructure requirements, the Biofuels Working Group can accelerate the adoption of renewable fuels across various sectors, including transportation, agriculture, and energy production.

Furthermore, Hawaii Gas's participation in the Working Group will contribute to the diversification of our energy portfolio and enhance energy security for our communities.

We urge you to pass the current version of HCR 213 HD2, which facilitate a realistic and solutions-based approach to developing a renewable fuels industry, which will help accelerate Hawaii's journey towards a cleaner, more sustainable energy future.

Thank you for the opportunity to testify.



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April 15, 2024

TESTIMONY ON HCR 213 HD2

SUPPORT

Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair  
Committee on Energy, Economic Development, and Tourism

Aloha Chair DeCoite, Vice Chair Glenn Wakai, and Members of the Committee,

Pacific Biodiesel supports HCR 213 HD2 which 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.

We support the amendments offered by the Hawaii State Energy Office.

**Major investments are needed in firm renewable energy to meet Hawaii's mandate to reach 100% renewable energy by 2045.**

- A. Hawaii's utility companies rely on and need more of Pacific Biodiesel's locally produced firm renewable energy. HRS section 269-92(a) requires each electric utility company that sells electricity for consumption in the State to establish a renewable portfolio standard of forty percent of its net electricity sales by December 31, 2030, seventy percent of its net electricity sales by December 31, 2040, and one hundred percent of its net electricity sales by December 31, 2045. In order for electric utility companies to meet the required renewable portfolio standards by 2045, an indispensable component of the electric utility companies' renewable portfolio standard must include sufficient locally sourced firm renewable energy sources to offset the intermittent nature of wind and solar power renewable energy.
- B. Speaking for the liquid biofuels industry, it is well known that the cost to move from 70% to 100% renewables will be extremely expensive using any other technology. Biodiesel can cost effectively optimize battery sizing by providing firm renewable power, quickly dispatched at any time. Fast-start, efficient diesel engines – when fueled with clean biodiesel – are enabling higher penetration of intermittent PV and wind assets while maintaining grid stability. Biodiesel allows for an immediate reduction of greenhouse gas emissions. Our biodiesel is a 100% renewable Advanced Biofuel that is a crucially important firm renewable power source in Hawaii to back up other renewables on the grid. And, more importantly now than ever, Hawaii's locally produced biodiesel is supporting energy security in our island state and reducing reliance on imported fossil

*renewable • sustainable • community-based*

fuel. **It is a direct replacement for petroleum diesel fuel that can be used right now in any diesel engine without modification, helping to reduce greenhouse gas emissions by 86% compared to petroleum diesel.** The diesel engine is NOT the problem. Petroleum diesel FUEL – fossil fuel – used in efficient diesel engines is the problem. **Biodiesel has one of the lowest carbon footprints of any fuel.** A California Air Resources Board (CARB) report\* shared findings that total greenhouse gas (GHG) reductions from biomass-based diesel were three times 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 is currently only 30% powered by renewables.

- C. Unfortunately, Hawaii is rushing to support electrification while ignoring the many environmental and economic benefits of biofuels. We cannot and should not sit back and wait for a 100% zero emission future. The State must get serious, soon, about requiring a lifecycle GHG reduction analysis on its “zero emission” strategies before Hawaii spends millions on electrification.

Our locally produced 2<sup>nd</sup> Generation biodiesel is produced from recycled used cooking oil from Hawaii and recycled used cooking oil from the mainland. Increasing production using locally grown or recycled feedstock is our goal, and that goal is becoming reality at our new project on Kauai. Pacific Biodiesel and other companies need this incentive to increase local production with from local feedstock over the next 20 years. That is how we achieve energy independence.

The further we move towards our goal of 100% renewable, the more critical firm energy like liquid biofuel sources will be. At Pacific Biodiesel’s refinery on Hawaii Island, we produce 6 million gallons per year of premium distilled biodiesel – the equivalent of 220 MWh per DAY of 100% renewable energy for Hawaii. **But, building up the supply is a long process. We must accelerate implementation and support additional local production now to meet expanding demand in the future and to ensure that our firm energy needs can be met with firm renewable energy by 2045.**

Mahalo,

Sincerely,



Robert A. King, President  
Pacific Biodiesel Technologies, LLC



April 17, 2024

**TESTIMONY IN SUPPORT OF HCR 213, HD2  
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.**

Senate Committee on Energy, Economic Development, and Tourism  
The Honorable Lynn DeCoite, Chair  
The Honorable Glenn Wakai, Vice Chair

Wednesday, April 17, 2024, 1:00 PM  
Conference Room 225 & Videoconference  
Hawaii State Capitol; 415 South Beretania Street

Aloha Chair DeCoite, Vice Chair Wakai, and members of the Committee,

Thank you for the opportunity to provide testimony in support of HCR 213, HD2.

Par Hawaii supports HCR 213, HD2 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 and utility sectors. 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.

While we believe that the resolution proposes an ambitious timeline for completion by January 2025, if the Committee is considering extending the final report to January 2026, we respectfully request that a report due by January 2025 must include an interim report, including finding and recommendation and any interim proposed legislation.

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



**April 15, 2024**

Testimony on HCR 213 HD2

**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 ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Sen. Lynn DeCoite, Chair  
Sen. Glenn Wakai, Vice Chair

Conference Room 225  
State Capitol  
415 South Beretania Street

Dear Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

Thank you for the opportunity to provide supportive comments on HCR 213 HD2. Airlines for America® (A4A) is the principal trade and service organization of the U.S. airline industry<sup>1</sup>. 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

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<sup>1</sup> 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](mailto:swilliams@airlines.org)



April 17, 2024

**TESTIMONY IN SUPPORT TO HCR 213, HD2**

**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.**

Senate Committee on Energy, Economic Development & Tourism  
The Honorable Lynn DeCoite, Chair  
The Honorable Glenn Wakai, Vice Chair  
Wednesday, April 17, 2024, 1:00 pm  
VIA VIDEOCONFERENCE &  
Conference Room 225  
State Capitol  
415 South Beretania Street

Chair DeCoite, Vice Chair Wakai and members of the Committee,

Island Energy Services (IES) supports the intent of HCR 213, HD2 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 believes the formation of a Renewable Liquid Fuels Working Group is the right step and looks forward to contributing to the effort going forward.

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 or 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 Senate Energy, Economic Development & Tourism Committee for hearing this bill and thank you for the opportunity to testify.

Albert D.K. Chee, Jr.  
Vice President

**HCR-213-HD-2**

Submitted on: 4/10/2024 7:51:46 PM

Testimony for EET on 4/17/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

I support HCR213.

Thank you for seriously proposing formation of a working group to study local production, development, and incentives for renewable liquid fuels. The hope is that a working group can quickly go beyond study and into development, production and implementation of the use of renewable liquid fuels that will replace fuels that produce large amounts of polluting emissions.

This would be a tremendous step toward the goal of State of Hawaii achieving net zero. The consequences of climate change are already dire. We can't afford to not take steps now to stop and reverse it.

Renewable fuels that can bring about great benefits for sectors where decarbonization is more complicated such as aviation, heavy-duty road freight, and maritime transportation. Electricification is no alternative currently available for these sectors. We need to accelerate the use of alternative fuels now to achieve sustainability and net zero.

One of their major strengths is that they can release up to 90% less CO2 than conventional fuels. This makes them one of the most effective solutions to cut emissions in transportation in the coming years. Their production is also environmentally friendly as they are derived from circular raw materials with a low-carbon footprint.

The main advantage is that these fuels can be used to power current vehicles and are compatible with the existng infrastructure, which means that we don't have to wait until new technologies are developed or a vehicle fleet is renewed before being able to start reducing emissions.

Passing HCR213 is a step in the right direction toward achieving a responsible, sustainable energy transition that will mitigate climate change. The transportation sector contributes significantly to greenhouse gas emissions so steps to significantly decrease these emissions is critical. Renewable fuels are a viable solution. Support HCR213 so we can address climate change in an impactful way.

Mahalo.

Respectfully submitted,

Beth Anderson