

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEXTER KISHIDA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
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TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

WEDNESDAY, MARCH 13, 2024
8:30 AM
CONFERENCE ROOM 325

SENATE BILL 3361
RELATING TO RENEWABLE FUEL

Chair Gates, Vice Chair Kahaloa, and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill 3361. This bill includes oilseed cover crops into the Cover Crop Reimbursement Pilot Program. The Department expresses our **support** but prioritizes the budget items identified in the administration's executive budget and legislative package.

The department agrees that cover crop is one way to increase agricultural productivity and utilizing energy crop to not only build soil, but contribute to the agricultural business as well.

Thank you for the opportunity to testify on this measure.



SB-3361

Submitted on: 3/11/2024 12:22:02 PM

Testimony for AGR on 3/13/2024 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gene Harrington	Biotechnology Innovation Organization	Support	Written Testimony Only

Comments:

The Biotechnology Innovation Organization supports SB 3361 and urges the committee to approve this important measure.



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March 11, 2024

TESTIMONY ON SB 3361, RELATING TO RENEWABLE FUEL

SUPPORT

Representative Cedric Asuega Gates, Chair
Representative Kirstin Kahaloo, Vice Chair
Committee on Agriculture & Food Systems
Hearing: March 13, 2024, at 8:30AM, Conf Room 325

Aloha Chair Gates, Vice Chair Kahaloo, and Members of the Committee,

Pacific Biodiesel supports SB 3361 which updates the Cover Crop Reimbursement Program to include oilseed cover crops and incentives increased production of Firm Renewable Energy.

The bill has widespread support from:

- (1) Farmers who will benefit from incentives for locally grown cover crops used to produce 2nd Generation Biofuels.
- (2) Ranchers that value the high protein meal that is a byproduct of the seed crushing process.
- (3) Environmentalists understand that oilseed cover crops replenish soil while also providing much needed feedstock for the local production of firm renewable energy.
- (4) Public Utilities that require more firm renewable energy to meet the 100% renewable energy mandate by 2045.
- (5) Biofuel Producers that are ready to partner with farmers to implement oilseed cover crops in their sustainable farming practices.

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.

renewable • sustainable • community-based

- 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 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. Our locally produced 2nd 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



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March 13, 2024

HEARING BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON SB 3361
RELATING TO RENEWABLE FUEL

Conference Room 325 & Videoconference
8:30 AM

Aloha Chair Gates, Vice-Chair Kahaloa, 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 SB 3361, which includes oilseed cover crops into the Cover Crop Reimbursement Pilot Program established by Act 312, SLH 2022.

HFB agrees that the use of cover crops and green manure increases agricultural productivity and is a beneficial management practice. We strongly support the concept of building soil structure and nutrient capacity. Caring for the soil is a cornerstone to having multigenerational farms that continue to provide for the people of Hawai'i. Many of our farms add compost made off-site as well as utilize short-term fallow between crop cycles to increase organic content in their soils. HFB recognizes and supports the diversion of discarded food and other useful wastes away from landfills. The benefits of this are well known.

Renewable energy is important to the State's energy goals. Firm 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 energy crops, crop residues, and agricultural wastes into economically and environmentally sustainable biofuels and value-added by-products such as livestock feed.

Farming is a tough business. High production costs are a major driver of narrow profit margins for Hawai'i's farmers. Land, water, labor, taxes, transportation, utilities, inputs,

invasive species, and food safety regulations are all costs of doing business that often result in our farmers just being able to break even. HFB supports this initiative, which could reduce the cost of production for local farmers by including oil seed cover crops in the Cover Crop Reimbursement Pilot Program. This is another mechanism that can help locally produced goods compete with imported products, strengthening our local economy.

Thank you for this opportunity to testify on this important subject.

SB-3361

Submitted on: 3/12/2024 7:31:39 AM

Testimony for AGR on 3/13/2024 8:30:00 AM

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

Comments:

GOOD IDEA. THE MORE SOURCES, THE BETTER.

MAHALO!