

Josh Green
GOVERNOR OF HAWAII



**STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
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**Testimony of
Leah Laramee
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission**

**Before the House Committee on
Transportation**

**Thursday April 11, 2024
9:00 AM**

State Capitol, Via Videoconference, Conference Room 312

**In support of
Senate Concurrent Resolution 106, SD1**

**URGING THE DEPARTMENT OF HEALTH, DEPARTMENT OF TRANSPORTATION,
AND DEPARTMENT OF LAND AND NATURAL RESOURCES TO TAKE ANY
ACTION POSSIBLE TO REDUCE THE CARBON EMISSIONS ARISING FROM
AIRPLANE TRANSPORTATION TO AND FROM THE STATE.**

SCR 106, SD1 requests the Department of Health, Department of Transportation, and Department of Land and Natural Resources to convene a task force to research sustainable aviation fuel and other decarbonization measures for domestic and international travel that can be turned into actual recommendations for the departments and Legislature. **The Hawaii Climate Change Mitigation and Adaptation Commission (Commission) offers the following comments.**

The Commission is a multi-jurisdictional effort between 20 different State and county departments, and Legislative committees. SB1024 (Act 226) HSL 2023, establishes long-term goals and implements strategies that help to reduce and ultimately eliminate greenhouse gas emissions from Hawaii's ground and interisland transportation sectors. The Commission also established a clean ground transportation working group and interisland transportation working group comprising of Hawaii state agency heads and other stakeholders. The Commission feels that these working groups are already doing the work proposed in the bill and an additional working group is not necessary. However, the additional allocation of resources and staff to address the urgent need to decarbonize airline transportation would help to move the Commission's work forward.

Mahalo for the opportunity to testify on this measure.



April 11, 2024

**TESTIMONY ON SCR 106 SD1
URGING THE DEPARTMENT OF HEALTH, DEPARTMENT OF TRANSPORTATION,
AND DEPARTMENT OF LAND AND NATURAL RESOURCES TO TAKE ANY ACTION
POSSIBLE TO REDUCE THE CARBON EMISSIONS ARISING FROM AIRPLANE
TRANSPORTATION TO AND FROM THE STATE.**

House Committee on Transportation
The Honorable Chris Todd, Chair
The Honorable Darius K. Kila, Vice Chair

April 11, 2024, 9:00am
Conference Room 312
State Capitol 415 South Beretania Street

Chair Todd, Vice Chair Kila, and members of the Committee,

Thank you for the opportunity to provide comments on SCR 106 SD1, which urges the Department of Health, Department of Transportation and Department of Land and Natural Resources to take any action possible to reduce the carbon emissions arising from airplane transportation to and from the state.

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.

At Hawaiian Airlines, we are actively sourcing SAF in those U.S. West Coast markets that provide incentives, investing in technologies to scale SAF, and working to advance SAF here in Hawaii. In 2023, we entered into a long-term offtake agreement with biofuel company Gevo for 50 million gallons of SAF delivered over five years in California, starting in 2029. We also made a strategic investment in United Airlines Ventures Sustainable Flight Fund, an investment fund focused on investing in technologies to scale SAF. And here in Hawaii, back in 2022, we established a partnership with Par Hawaii to explore the viability of locally produced SAF. As part of our partnership with Par Hawaii, we engaged outside consultants to evaluate the different policy options to support SAF in Hawaii. Together with our partners, we introduced a bill in the 2024 legislative session aimed at advancing renewable fuels, including SAF, here in our home state. We are also one of the founding members of a broad coalition of organizations from diverse sectors who believe that it is important to advance the dialogue around renewable fuels in Hawaii.

Scaling supply of cost-competitive SAF will be critical to reducing emissions in the aviation sector, which is an essential part of thriving economy here in Hawaii. It will require cross-sector collaboration among airlines, fuel producers, feedstock producers, states and the federal government to decarbonize aviation. We look forward to continuing to work collaboratively with the State of Hawaii and other stakeholders to advance the supply of cost-competitive SAF in Hawaii.

Thank you for the opportunity to provide comments on this resolution.

Mahalo,

Alanna James
Managing Director, Sustainability Initiatives
Hawaiian Airlines