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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



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

AIRLINES COMMITTEE OF HAWAII



Daniel K. Inouye International Airport
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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.*