JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA



EDWIN H. SNIFFEN DIRECTOR KA LUNA HO'OKELE

Deputy Directors

Nā Hope Luna Ho'okele

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TAMMY L. LEE

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ROBIN K. SHISHIDO

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU

869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

April 10, 2025 3:20 P.M. State Capitol, Room 224 Videoconference H.C.R 70 H.D. 1

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FACILITATE AND ACCELERATE THE ADOPTION OF SUSTAINABLE AVIATION FUELS TO DECARBONIZE HAWAI'I'S TRANSPORTATION SECTOR AND SUPPORT THE STATE'S CLIMATE GOALS

Committee on Transportation and Culture and the Arts Committee on Energy and Intergovernmental Affairs

The Department of Transportation (DOT) **supports H.C.R 70 H.D. 1**, that requests HDOT to work with the Hawaii State Energy Office and industry partners on adoption of Sustainable Aviation Fuel, and submit a report to the legislature on the progress made in facilitating the adoption and acceleration of sustainable aviation fuels, including any proposed legislation to further support this effort.

HDOT is currently developing a Greenhouse Gas Reduction Plan to identify immediate actions to reduce GHG emissions, a roadmap for transportation in Hawaii to meet the State's net-zero GHG emissions target by 2045, and a long-term plan to reach zero emissions in the transportation sector. Although the specific strategies and benchmarks of HDOT's Greenhouse Gas Reduction Plan are still in development, we expect that increased clean fuels in all sectors will be a significant component of our Plan. For example, based on our initial calculations, it does not appear possible to reach the State's ambitious GHG reduction goals for the Aviation portion of the Transportation Sector without a significant increase in Sustainable Aviation Fuel use.

Thank you for the opportunity to provide testimony.



Testimony of ALASKA AIRLINES and HAWAIIAN AIRLINES

Before the Senate Committees on

TRANSPORTATION AND CULTURE AND THE ARTS ENERGY AND INTERGOVERNMENTAL AFFAIRS

Thursday, April 10, 2025 3:20 P.M. Hawai'i State Capitol, Room 224

In consideration of

HOUSE RESOLUTION 63 / HOUSE CONCURRENT RESOLUTION 70

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FACILITATE AND ACCELERATE THE ADOPTION OF SUSTAINABLE AVIATION FUELS TO DECARBONIZE HAWAI'I'S TRANSPORTATION SECTOR AND SUPPORT THE STATE'S CLIMATE GOALS.

The Honorable Chris Lee, Chair, Committee on Transportation and Culture and the Arts The Honorable Glenn Wakai, Chair, Committee on Energy and Intergovernmental Affairs Members of the Committee on Transportation and Culture and the Arts and Energy and Intergovernmental Affairs

Re: Testimony in Support of HR63/HCR70

Aloha Chair Lee, Chair Wakai and members of the Committee on Transportation and Culture and the Arts and Energy and Intergovernmental Affairs

Alaska Airlines and Hawaiian Airlines appreciate the opportunity to submit testimony in strong support of HR63 HD1 / HCR70 HD1 requesting the Hawai'i Department of Transportation (DOT) to facilitate and accelerate the adoption of sustainable aviation fuels (SAF) in the state.

Commitment to a Sustainable Future

As the two leading airlines serving Hawai'i, we are deeply committed to sustainability and reducing the environmental impact of air travel. We recognize that aviation is a vital part of Hawai'i's economy, connecting local communities, supporting tourism, and ensuring essential interisland and transpacific transportation. At the same time, we acknowledge the significant responsibility we bear in addressing greenhouse gas emissions.

SAF is the most immediate and viable solution to decarbonize air travel. Compared to conventional jet fuel, SAF can reduce lifecycle greenhouse gas emissions by up to 80%, depending on the feedstock and production process. Unlike other transportation sectors where electrification is becoming a dominant strategy, long-haul air travel remains dependent on liquid fuels. SAF provides the best near-term pathway to reducing aviation's carbon footprint while maintaining the connectivity that Hawai'i relies on.

Why the Department of Transportation Should Lead the SAF Effort

We strongly believe the Hawai'i Department of Transportation (DOT) is the appropriate agency to lead this effort due to its deep expertise in transportation policy, infrastructure development, and aviation regulations. DOT's leadership, in close collaboration with the Hawai'i State Energy Office, will ensure:

- 1. Alignment with State Transportation and Climate Goals: DOT has a direct role in implementing the state's broader climate and decarbonization strategies, including those outlined in the Hawai'i Pathways to Decarbonization report and the Greenhouse Gas Reduction Plan required by the Navahine settlement. At the same time, the Hawai'i State Energy Office plays a crucial role in supporting renewable energy and fuel development efforts, making their continued involvement essential to a successful SAF strategy.
- 2. Strategic Coordination Across Stakeholders: The successful adoption of SAF requires collaboration between airlines, fuel producers, airport authorities, and state energy policymakers. DOT, in partnership with the Hawai'i State Energy Office, is well-positioned to facilitate dialogue and drive policy solutions that integrate both transportation and energy sector priorities.
- 3. **Infrastructure and Market Development:** The transition to SAF will require enhancements to existing fuel supply chains, including storage, blending, and distribution infrastructure at Hawai'i's airports. DOT's oversight of airport

operations makes it the best agency to coordinate these infrastructure investments while leveraging the Hawai'i State Energy Office's expertise in renewable fuel development.

4. **Policy and Incentives Development:** DOT, in coordination with the Hawai'i State Energy Office, can help design and implement the right mix of incentives, regulatory support, and market mechanisms to encourage the production and use of SAF in Hawai'i. Drawing from lessons learned in other states, they can craft policies that attract SAF investment while ensuring cost-effective implementation for airlines and consumers.

Industry Partnership and Support

Alaska Airlines and Hawaiian Airlines have each made significant investments in SAF development and are actively working with fuel producers, research institutions, and regulatory agencies to scale SAF production and adoption. We are eager to partner with DOT, the Hawai'i State Energy Office, and other stakeholders to establish a long-term SAF strategy for the state.

We encourage the Legislature to pass this resolution and empower DOT to lead this critical initiative in collaboration with the Hawai'i State Energy Office. By accelerating SAF adoption, Hawai'i can become a national leader in aviation sustainability, reduce its dependence on fossil fuels, and move toward achieving its ambitious climate goals.

Mahalo for the opportunity to testify, and we look forward to working collaboratively on this important issue.



TESTIMONY IN SUPPORT OF HCR 70 HD1 REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FACILITATE AND ACCELERATE THE ADOPTION OF SUSTAINABLE AVIATION FUELS TO DECARBONIZE HAWAI'I'S TRANSPORTATION SECTOR AND SUPPORT THE STATE'S CLIMATE GOALS.

Aloha Chair Chris Lee, Vice Chair Inouye, and Members of the Senate Committee on Transportation and Culture and The Arts and Chair Glenn Wakai, Vice Chair Chang, and Members on Energy and Intergovernmental Affairs,

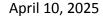
My name is Nahelani Parsons, and I am the Executive Director of the Hawai'i Renewable Fuels Coalition (HRFC). Mahalo for the opportunity to testify in **support** of HCR 70 HD1, which urges the Department of Transportation to facilitate and accelerate the adoption of sustainable aviation fuels (SAF) to decarbonize Hawai'i's transportation sector and support the state's climate goals. We have provided some suggested edits that we worked with the Hawai'i Department of Transportation on.

The HRFC is a diverse alliance of stakeholders working to achieve Hawai'i's renewable energy goals. Our founding members include:

- Hawaiian/Alaska Airlines: Leaders in adopting Sustainable Aviation Fuel (SAF) to decarbonize the aviation sector.
- Pono Pacific: Hawai'i's largest natural resource conservation company, advancing oil crop feedstock cultivation to support renewable fuel production.
- Par Hawai'i: The state's largest energy supplier, investing over \$90 million in renewable fuel production technology to strengthen energy security and sustainability.

In addition to these partners, HRFC collaborates with:

Pacific Biodiesel, a local producer of biodiesel. The Hawai'i Farm Bureau, representing 1,800 farm families statewide, to support renewable feedstock cultivation and enhance food and energy security. Ranchers, dairy farmers, and conservationists, such as Meadow Gold and Haleakalā Ranch, contributing to Hawai'i's resilience and self-sufficiency. Airlines for America, which advocates for SAF adoption nationwide to reduce aviation emissions.





Hawai'i Renewable Fuels Coalition members in alphabetical order:

Airlines for America

Hawaii Farm Bureau

Hawaii Fuelling Facilities Corp

Hawaiian Airlines

Hawaiian Electric

ITOCHU Corporation

Japan Airlines

Kuilima Farm

Meadow Gold Hawaii

Pacific Biodiesel

Par Hawaii

Pono Pacific

United Steelworkers

The Importance of Sustainable Aviation Fuels in Hawai'i

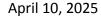
Hawai'i's transportation sector is the largest contributor to the state's greenhouse gas (GHG) emissions, accounting for 48% of total emissions, significantly higher than the 30% national average. Within this sector, aviation is a major source of emissions, yet it is also one of the most challenging to decarbonize due to technological and infrastructure constraints.

Sustainable aviation fuels (SAF) offer an immediate and viable solution to significantly reduce aviation emissions. Produced from renewable feedstocks such as agricultural waste, used cooking oil, and algae, SAF can reduce lifecycle greenhouse gas emissions by up to 80% compared to conventional jet fuel. Moreover, SAF is a drop-in fuel, meaning it is compatible with existing aircraft and fueling infrastructure, allowing for immediate adoption without costly modifications.

Hawai'i has an unparalleled opportunity to lead in SAF adoption. Several states, including California, Washington, Oregon, Minnesota, and Illinois, have already established incentives and policies to promote SAF production and use. Hawai'i must act swiftly to remain competitive and attract investment in renewable fuel infrastructure.

HCR 70 HD1 Aligns with Hawai'i's Climate and Energy Goals

Hawai'i has already committed to achieving net-zero emissions by 2045 under the Hawai'i Clean Energy Initiative and has enacted zero-emission transportation goals under Act 226 (2023). Additionally, the Navahine v. Hawai'i Department of Transportation settlement agreement recognizes the constitutional right of Hawai'i's youth to a life-sustaining climate and requires the state to develop a comprehensive Greenhouse Gas Reduction Plan within one year.





HCR 70 HD1 is critical to fulfilling these commitments. By urging the Department of Transportation to collaborate with key stakeholders, including the Hawai'i State Energy Office, major airlines, and fuel producers, this resolution lays the groundwork for:

- Developing policies and incentives to promote SAF production, distribution, and adoption.
- Integrating SAF into the state's Greenhouse Gas Reduction Plan to ensure aviation plays a role in decarbonization.
- Enhancing energy security and economic resilience by supporting local SAF production and reducing reliance on imported fossil fuels.

The adoption of sustainable aviation fuels is not just an environmental imperative, it is an economic and strategic necessity for Hawai'i. Without strong state support, Hawai'i risks falling behind other states that have already enacted SAF incentives. HCR 70 HD1 is a crucial first step in ensuring our aviation sector transitions toward a cleaner, more sustainable future while protecting our environment, supporting local businesses, and strengthening our energy security.

HRFC strongly supports HCR 70 HD1 and urges the Committee to advance this resolution adopting the proposed amendments as attached.

Mahalo for your time, consideration, and commitment to Hawai'i's clean energy future.



SUPPORT OF HCR 70 HD1

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FACILITATE AND ACCELERATE THE ADOPTION OF SUSTAINABLE AVIATION FUELS TO DECARBONIZE HAWAI'I'S TRANSPORTATION SECTOR AND SUPPORT THE STATE'S CLIMATE GOALS

Senate Committee on Transportation and Culture and the Arts Senator Chris Lee, Chair Senator Lorraine R. Inouye, Vice Chair

Senate Committee on Energy and Intergovernmental Affairs Senator Glenn Wakai, Chair Senator Stanley Chang, Vice Chair

> Thursday, April 10, 2025, 3:20 p.m. Conference Room 224 & Videoconference

Dear Chairs Lee and Wakai, Vice Chairs Inouye and Chang, and members of the Committees,

Thank you for the opportunity to submit testimony expressing our **support** of HCR 70 HD1. My name is Eric Wright and I serve as President of Par Hawaii. Par Hawaii is the largest local supplier of fuels, including various grades of utility fuels, as well as diesel, jet fuel, gasoline and propane.

We recognize the importance of charting a clean energy future for Hawai'i. As the local producer of fuels for Hawaii's consumers, we are committed to a part of this future by investing over \$90 million to develop Hawai'i's largest liquid renewable fuels manufacturing facility at its Kapolei refinery. The project — to be commissioned in 2025 — is expected to produce approximately 61 million gallons each year of renewable diesel, sustainable aviation fuel (SAF), renewable naphtha and liquified petroleum gases using renewable feedstock.

HCR 70 HD1 is critical for fulfilling Hawai'i's climate and energy commitments, including the goal of achieving net-zero emissions by 2045. The resolution urges the Department of Transportation to collaborate with key stakeholders to develop policies and incentives promoting SAF production, distribution, and adoption. By supporting local SAF production, Hawai'i can enhance its energy security, reduce reliance on imported fossil fuels, and position itself as a leader in sustainable aviation.

We view this as another step towards a cleaner, more sustainable future for Hawai'i's aviation sector. We believe it is possible to produce significant amounts of renewable fuel here in Hawai'i, and in a way that supports the local agriculture sector. Par Hawaii has partnered with Pono Pacific, a land management and conservation company, to develop locally grown, oil-yielding crops that will contribute to Hawaii's clean energy future.

Thank you for allowing Par Hawaii the opportunity to support the resolution.



SENATE COMMITTEES ON TRANSPORTATION AND CULTURE AND THE ARTS and ENERGY AND INTERGOVERNMENTAL AFFAIRS

APRIL 10, 2025

HCR 70, HD1, REQUESTING THE DEPARTMENT OF TRANSPORTATION TO FACILITATE AND ACCELERATE THE ADOPTION OF SUSTAINABLE AVIATION FUELS TO DECARBONIZE HAWAI'I'S TRANSPORTATION SECTOR AND SUPPORT THE STATE'S CLIMATE GOALS

POSITION: SUPPORT

Coalition Earth <u>supports</u> HCR 70, HD1, which requests the Department of Transportation to facilitate and accelerate the adoption of sustainable aviation fuels to decarbonize Hawai'i's transportation sector and support the state's climate goals.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding. Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Just two years ago, we witnessed the impact of the climate emergency on our shores. On August 8, 2023, wildfires swept across Maui and killed at least 100 people, making it one of the nation's deadliest natural disasters. The spread of the fires has been attributed to climate change

conditions, such as unusually dry landscapes and the confluence of a strong high-pressure system to the north and Hurricane Dora to the south. The wildfires destroyed over 2,200 structures, including numerous residential buildings, historic landmarks, and school facilities. In September 2023, a report from the United States Department of Commerce estimated the total economic damage of the wildfires to be roughly \$5.5 billion. Investing in renewable energy generation could not be more urgent, given the growing threat of climate catastrophes to our island home.

Therefore, <u>our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by prioritizing the use of <u>sustainable aviation fuel.</u> This is especially important in light of the islands' carbon-intensive visitor industry. In 2019, for example, Civil Beat reported that flights to and from Hawai'i from all over the world produced approximately 6.3 million tons of carbon, which is the equivalent of the CO2 produced by generating electricity for almost 1.1 million homes in a year.</u>

As an island state that is heavily reliant on air transportation and a robust tourist economy, we need to take action to ensure that air travel related to our state aligns with our goal of reducing our economy's carbon footprint. Jet fuel consumption for the islands is 17 million barrels—or 740 million gallons—per year between civilian and military consumption. To reduce our reliance on fossil fuels, we should seize the opportunity to invest in local sustainable fuel production, which can be derived from both plant and animal materials, ranging from cooking oil and plant oils to agricultural residues as well as municipal waste and waste gases.

While the cost of producing sustainable aviation fuel is currently higher than the cost of conventional fuels, the long-term benefit of transitioning to a clean economy outweighs the price of transforming the energy systems that power our carbon-intensive visitor industry. Moreover, we cannot simply rely on industrial incentives to buttress positive environmental outcomes. Instead, such incentives must always be coupled with mandates that ensure commercial entities will take actions that firmly align with our state's overall climate resilience goals.

Coalition Earth is a nongovernmental organization that works to preserve the well-being of people and our planet. We champion policies that advance climate resilience, clean energy, public health, and economic fairness for working families. **Contact us at info@coalitionearth.org.**



April 10, 2025

TESTIMONY IN SUPPORT TO HCR 70 HD1

REQUESTING THE DEPARTMENT OF TRANSPORTATION
TO FACILITATE AND ACCELERATE THE ADOPTION OF
SUSTAINABLE AVIATION FUELS TO DECARBONIZE
HAWAI'I'S TRANSPORTATION SECTOR AND SUPPORT THE
STATE'S CLIMATE GOALS.

Senate Committee on Transportation & Culture & The Arts
The Honorable Chris Lee, Chair
The Honorable Lorraine Inouye, Vice Chair

Senate Committee on Energy & Intergovernmental Affairs
The Honorable Glenn Wakai, Chair
The Honorable Stanley Chang, Vice Chair

Thursday, April 10, 2025, 3:20 pm

VIA VIDEOCONFERENCE
Conference Room 224
State Capitol
415 South Beretania Street

Chairs Lee and Wakai, Vice Chairs Inouye and Chang and Members of the Committees,

Island Energy Services supports a collaborative effort to integrate sustainable aviation fuel adoption into the Greenhouse Gas Reduction Plan required by the Navahine v. Hawai'i Department of Transportation settlement as directed by HCR 70 HD1. Furthermore, in recognizing that importation of sustainable aviation fuel will be required to meet Hawaii's present and growing demand for aviation fuel, entities that import fuel will play a significant role, and therefore should be specifically named and included in HCR 70 (please see requested addition to page 2 of HCR 70 HD1 below):

- 31 Transportation is requested to work in collaboration with the
- 32 Hawai'i State Energy Office, major airlines serving Hawai'i, fuel
- producers, **fuel importers**, and other stakeholders to establish policies,
- incentives, and infrastructure to support the production,
- distribution, and use of sustainable aviation fuels in the
- 36 State; and

From integrity, active community support, and protecting our 'āina, we are championing Hawaii's energy future in a way that is sensitive to our community. Island Energy Services delivers fuel to O'ahu, Maui, Hawai'i Island and Kaua'i distributed through a network of branded retail locations and product distribution terminals statewide.

Mahalo for the opportunity to testify.

Albert D.K. Chee, Jr. Vice President Island Energy Services, LLC



HCR-70-HD-1

Submitted on: 4/10/2025 10:39:12 AM Testimony for TCA on 4/10/2025 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Master Shelby "Pikachu" Billionaire	Testifying for Kingdom of The Hawaiian Islands & Ohana Unity Party	Support	Remotely Via Zoom

Comments:

Subject: Passionate Support for H.C.R. No. 70 – Accelerating Sustainable Aviation Fuels for a Greener Hawai'i

Dear Honorable Members of the Thirty-Third Legislature, State of Hawaii

I am ecstatic to lend my fervent support to House Concurrent Resolution No. 70, which urges the Department of Transportation to fast-track the adoption of sustainable aviation fuels (SAF) to decarbonize Hawai'i's transportation sector and meet our ambitious climate goals. This resolution is a game-changer for our islands, and I propose we amplify its impact by charging aviation stakeholders—like major airlines—for SAF transition fees to fund this critical shift. Mahalo for leading the charge toward a sustainable future!

The Climate Crisis in Hawai'i's Skies:

- Transportation's Big Footprint: Hawai'i's transportation sector drives 48% of our greenhouse gas emissions—far above the U.S. average of 30%—with aviation a key culprit due to our reliance on air travel.
- Aviation's Vital Yet Costly Role: Flights fuel tourism, commerce, and interisland connectivity, but they also pump out emissions that threaten our climate and keiki's future.
- Urgent Targets: The State aims to slash emissions 50% below 2005 levels by 2030 and hit net-zero by 2045, per Act 226 (2023) and the Navahine settlement—goals SAF can help us reach.

Sustainable Aviation Fuels: Our Path Forward:

- Proven Solution: SAF, made from renewable sources like used cooking oil and algae, can cut lifecycle emissions significantly—an immediate fix for aviation's carbon problem.
- Mainland Momentum: States like California and Oregon are already pushing SAF with policies and incentives—Hawai'i must catch up and lead in the Pacific.
- State Backing: The 2023 Hawai'i Pathways to Decarbonization report calls SAF "essential" for net-zero by 2045, aligning with our youth's constitutional right to a livable climate (Navahine v. DOT).

A Bold Funding Idea: Charge Aviation Stakeholders:

- SAF Transition Fees: Major airlines serving Hawai'i—like Hawaiian Airlines or United—should pay a per-flight SAF fee, channeling funds into production and infrastructure for sustainable fuels. With over 250 daily flights in Hawai'i (per DOT estimates), even a \$10 fee could raise millions annually.
- Corporate Responsibility: Airlines and fuel producers, reaping profits from our skies (e.g., Hawaiian Airlines' \$2.8B revenue in 2023), should offset costs—not taxpayers or small businesses.
- Practical Impact: These fees could subsidize SAF blending facilities or tax credits, making renewable fuels cheaper than fossil jet fuel (currently \$2-\$3/gallon more, per industry data).

HCR 70 is a Blueprint for Success:

This resolution's push for collaboration between the DOT, Hawai'i State Energy Office, airlines, and fuel producers is brilliant. Integrating SAF into the Navahine Greenhouse Gas Reduction Plan and reporting progress by 2026 keeps us on track. But let's turbocharge it—charge aviation stakeholders to fund this revolution, ensuring no delay in decarbonizing our skies. This is about sustainability, equity, and honoring our commitment to future generations.

I'd love to kūkākūkā further—reach me at ohanaunitychair@gmail.com. . Mahalo nui loa for championing HCR 70 and soaring toward a cleaner, greener Hawai'i!

With boundless Aloha,

Master Shelby "Pikachu" Billionaire, HRM Chairman, Ohana Unity Party Kingdom of The Hawaiian Islands, H.I. www.ohanaunityparty.com

HCR-70-HD-1

Submitted on: 4/10/2025 9:13:22 AM

Testimony for TCA on 4/10/2025 3:20:00 PM

Submitted By	Organization	Testifier Position	Testify
Germaine Meyers	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair Lee, Vice Chair Inouye, and Honorable Members,

I'm in STRONG SUPPORT of HCR70.

The transportation sector is the largest contributor to greenhouse gas emissions in the State, accounting for nearly half of the Hawaii's total emissions. Aviation, which plays a critical role in tourism, commerce, and interisland travel, is a significant source of these emissions, making it essential to find sustainable alternatives to conventional jet fuel. This measure aims to further the State's commitment to achieving net-zero transportation goals and ensure the long-term sustainability of the State's economy and environment.