



House Committee on Transportation
Representative Darius Kila, Chair
Representative Tina Grandinetti, Vice-Chair

January 30, 2025
10:00 a.m.
Conference Room 430

Thank you for the opportunity to submit testimony in strong support of HB 1304. My name is Cristina Cornejo and I am the Sr. Public Affairs Manager for Neste, the world's leading producer of sustainable aviation fuel and renewable diesel.

A Clean Fuel Standard (CFS) for Hawaii is an essential policy that will enable the state to meet its decarbonization goals, while reducing air and water pollution from the use of fossil fuels in our transportation system. Similar CFS programs have been implemented in California, Oregon, Washington, and Canada. Most recently, New Mexico enacted a CFS in March 2024 that begins in 2026. In addition, there are currently more than 10 additional states considering CFS policies, due to their effectiveness.

HB 1304 is NOT a mandate, nor is it a tax credit, but rather it is an incentive program designed to promote the decarbonization of all transportation fuels. CFS policies drive the adoption of lower-carbon transportation technologies, resulting in advanced competition and a diversity of fuel options for consumers. As an example, consumers in California have gone from 2 fuel types (gasoline and diesel) to more than 7 fuel types (gasoline, diesel, renewable diesel, electric, ethanol, biodiesel, hydrogen, and renewable compressed natural gas). This policy also drives substantial new investments in electric vehicle charging and hydrogen infrastructure at no cost to taxpayers.

One crucial element of a CFS is that it is a technology neutral policy that allows consumers to decide what fuels work best for them and their businesses. All transportation fuels can partake in a clean fuels market and the policy is flexible enough to allow for new technologies that will come online in the future, such as algae from the Pacific Ocean.

Another key component of HB 1304 is that it utilizes an independent third-party, science-based evaluation for all transportation fuels. The policy uses the GREET model, which was created by Argonne National Laboratory and is the worldwide standard methodology to calculate the carbon intensity of a given fuel. This model assesses fuel on a well-to-wheel basis and considers the full life cycle of a fuel to determine its carbon intensity (CI) score. This ensures that all fuels are scored on an equal playing field and the winners are those fuels with the lowest possible carbon intensity score. It incentivizes cleaner fuels while letting technologies compete.

In conclusion, a clean fuel standard is the most effective policy in reducing carbon emissions from the transportation sector by incentivizing the production and availability of lower carbon fuels. The State of Hawaii deserves access to cleaner fuels and protection of its treasured natural resources. HB 1304 is a significant piece of the decarbonization puzzle and we at Neste are proud to support this pivotal policy.

Cristina Cornejo, Sr. Public Affairs Manager, Neste

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Neste Background

Neste uses science and innovative technology to transform waste and other resources into renewable fuels and circular raw materials. The company creates solutions for mitigating climate change and accelerating a shift to a circular economy. Being the world's leading producer of sustainable aviation fuel (SAF) and renewable diesel and a forerunner in developing renewable and circular feedstock solutions for polymers and chemicals, the company aims to help 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. Neste has also set high standards for biodiversity, human rights and the supply chain. The company has consistently been included in the CDP and the DJSI lists of the world's most sustainable companies.



**Hawaiian
Electric**

TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

HB 1304 Relating to Transportation

January 30, 2025
10:00 AM
State Capitol, Conference Room 430

Nicholas O. Paslay
Director, Power Supply Fuels Division
Hawaiian Electric

Dear Chair Kila, Vice Chair Grandinetti, and Members of the Committees,

My name is Nicholas O. Paslay and I am testifying on behalf of Hawaiian Electric with comments and offering amendments to HB 1304, Relating to Transportation.

The company supports a clean fuel standard; however, the bill as written doesn't clearly state that renewable fuel used for power generation would be including in the fuel standard and doesn't exempt diesel fuel used for power generation. The company is concerned that if passed as written the result will be higher electric rates for the company's customers. The company respectfully offers the amendments below for the committee's consideration so that renewable fuel used for power generation is also included in the clean fuel standard and diesel used for power generation is exempt to minimize impacts to electric rates.

- On page 5 lines 12-14 (see underscored and ~~strikethrough~~ for amendments) Exemptions for diesel, gasoline, or other fuels used by aircraft, railroad locomotives, military vehicles, power generation and interstate waterborne vessels;
- On page 6 lines 15-19 (see underscored and ~~strikethrough~~ for amendments) Mechanisms whereby alternative fuel can opt in to the clean fuel program to generate credits when it displaces the combustion of gasoline or diesel in off-road, heating, cooling, and ~~temporary~~ power generation;

- On page 8 lines 10-15 (see underscored and strikethrough for amendments)
"Alternative fuel" means any fuel that is not gasoline or diesel and is used for transportation or power generation purposes, including but not limited to ethanol, biomass-based diesel, renewable diesel, sustainable aviation fuel, electricity, biomethane, biogasoline, renewable natural gas, fuels from carbon capture and utilization, electrofuels, and hydrogen.

Accordingly, Hawaiian Electric request that the Committee consider adopting the above amendments. Thank you for this opportunity to testify.

HB-1304

Submitted on: 1/29/2025 12:55:16 PM

Testimony for TRN on 1/30/2025 10:00:00 AM

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

Comments:

The Biotechnology Innovation Organization (BIO) is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. Our key areas of focus are health biotechnology, industrial and environmental biotechnology, and food and agriculture biotechnology. We are in strong support of HB 1304.

The transportation sector currently accounts for a substantial 60% of Hawaii's CO2 emissions, making it imperative to adopt effective measures to reduce the state's carbon footprint. A Hawaii CFS, however, will reduce the environmental impact of the state's transportation sector by reducing harmful emissions. Indeed, the CFS, utilizing a science-based "carbon intensity" metric to assess the life cycle of greenhouse gases, has proven successful in states like Washington, Oregon, California, and across Canada.

California's CFS has helped displace over 25 billion gallons of petroleum fuel since the state's CTFS went into effect in 2011. Moreover, the volume of cleaner, low-carbon fuels supplied for use in the state has nearly tripled and, as of 2023, California's current diesel fuel supply is over 50 percent bio-mass-based. Meanwhile, Oregon cut approximately 3.1 million tons of greenhouse gasses in the first three years of its CFS.

It is important to note that the CFS is not a mandate but rather an incentive program designed to encourage emission reduction in all transportation fuels. The program's flexibility allows producers to choose how they reduce emissions—whether through the use of renewable fuels or the acquisition of credits—it empowers the market to drive innovation. Mahalo for the opportunity to testify.



HOUSE COMMITTEE ON TRANSPORTATION

JANUARY 30TH, 2025

HB 1304, RELATING TO TRANSPORTATION

POSITION: SUPPORT

Coalition Earth **supports** HB 1304, relating to transportation, which requires the Department of Transportation to adopt rules governing a clean fuel standard for alternative fuels in the State.

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, **our state should take steps to accelerate our transition to a clean energy economy and continue our fight against climate change, including by hastening our transition to a clean transportation network.** Transportation is our state's largest source of lifecycle greenhouse gas emissions, a fact that is exacerbated by our economic reliance on visitor-related travel. Development of a clean fuel standard is central to reducing the State's direct and indirect greenhouse gas emissions, while also protecting Hawai'i's financial security, public health, and natural resources.

As our nation expands its use of zero-emission vehicles, other states like California, Oregon, and Washington have implemented programs that reduce the carbon footprint of their transportation fuels. To ensure that our local carbon emissions reduction targets are achieved on a timescale that aligns with our clean economy goals, we should establish a clean fuel standard that strengthens community resilience and sustainability, spurs green growth and development, maximizes the potential of emerging clean energy technologies, follows the regenerative principles of a circular economy, and amplifies our carbon reduction efforts.

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.