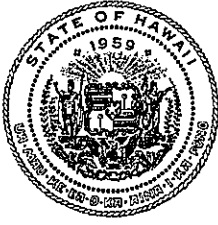


SB 558



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Tuesday, February 10, 2009
3:45 PM
State Capitol, Conference Room 225

in consideration of
SB 558
RELATING TO ENERGY RESOURCES.

Chair Gabbard, Vice Chair English, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of Sections 2 and 3 of SB 558, which would require State government fleets to purchase ethanol produced in Hawaii if it is available at a competitive price and specify that the "alternate fuels" to be supported by the State shall not include imported fuels.

However, we oppose Section 4 of the bill, which would repeal the ethanol content requirement until local supplies of ethanol were available to meet the requirements of the section.

At the time the ethanol content requirement was enacted, it was stated that without local demand, local supply was extremely unlikely to be developed. We believe that this is still the case. Therefore, we oppose Section 4 of the bill and request that this section be deleted.

Thank you for the opportunity to offer these comments.



Western States Petroleum Association

February 10, 2009

3:45 p.m.

Senate Energy and Environment Committee

Conference Room 225

Re: SB 558 Relating to Energy Resources

Western States Petroleum Association or WSPA, is a non-profit trade association representing a broad spectrum of petroleum companies in Hawaii and five other western states.

We are in support of SB 558.

WSPA supports the intent of this measure which appears to provide flexibility in suspending the ethanol blending mandate while local sources of ethanol are unavailable. However, we are concerned about the provision that would exclude some sources of ethanol from being counted toward meeting renewable fuels transportation mandates. We believe that specifically limiting the source of ethanol used to meet Hawaii's renewable transportation fuel goals is counter-productive to ensuring a reliable source of energy.

Thank you for the opportunity to testify.



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COMMITTEE ON ENERGY AND ENVIRONMENT

Senator Mike Gabbard, Chair

Senator J. Kalani English, Vice Chair

Tuesday, February 10, 2009

3:45 p.m.

Conference Room 225

SB 558 RELATING TO ENERGY RESOURCES.

SUPPORT

Encourages the use of competitively-priced ethanol produced in Hawaii from locally grown renewable feedstocks or waste materials, when available; specifies that "alternate fuels" shall not include imported fuels.

Aloha Chair Gabbard, Vice Chair English and Members of the Committee

My name is Henry Curtis and I am the Executive Director of Life of the Land, Hawai'i's own energy, environmental and community action group advocating for the people and `aina for almost four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

This bill takes note that there are sustainable and unsustainable local biofuels and that sustainable ones are desired: "With regard to motor vehicles and transportation fuel, each agency shall: Purchase alternative fuels and ethanol blended gasoline when available; provided that sufficient quantities of competitively-priced ethanol produced in Hawaii from locally grown renewable feedstocks or waste materials are available"

Mahalo,

Henry Curtis