



Lance N. Tanaka
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TESTIMONY COMMENTING ON SENATE BILL 717, RELATING TO ETHANOL

Senate Committee on Energy & Environment
The Honorable Mike Gabbard, Chair
The Honorable Josh Green, Vice Chair
Tuesday, February 3, 2015 – 2:45 p.m.
State Capitol, Room 225

Chair Gabbard, Vice Chair Green and members of the Committee,

Thank you for this opportunity to testify on Senate Bill 717, Relating to Ethanol. My name is Lance Tanaka, director of government and public affairs for Hawaii Independent Energy, LLC ("HIE"). HIE is a subsidiary of Par Petroleum Corporation and operates the state's largest petroleum refinery located in Kapolei, Hawaii.

HIE offers the following comments regarding SB 717.

The purpose of this bill is to repeal the existing requirement that gasoline sold in this state for motor vehicles shall contain 10 percent ethanol.

HIE and its predecessor, Tesoro Hawaii, have long opposed fuel blending mandates due to the unintended consequences that can arise as we have experienced with Hawaii's 10-percent ethanol blending mandate.

The fact remains that Congress already requires producers to blend more biofuel into gasoline and diesel. The federal Energy Policy Act of 2005 established the Renewable Fuel Standard program to require the blending of ethanol in gasoline. The Energy Independence & Security Act of 2007 expanded the RFS program by requiring the blending of renewable fuels into diesel, as well. It also required higher amounts of renewable fuels to be blended, from nine billion gallons in 2008 to 36 billion gallons by 2022. This suggests that a state mandate for blending renewable fuels into gasoline or diesel is duplicative.

Thank you for allowing Hawaii Independent Energy the opportunity to present these comments on SB 717.

A handwritten signature in blue ink that reads "Lance".