S.C.R. NO. 121

MAR 1 0 2017

SENATE CONCURRENT RESOLUTION

URGING THE DEVELOPMENT OF A HAWAII GREEN FUELS INITIATIVE TO COINCIDE WITH INCREASED LOCAL FOOD PRODUCTION.

WHEREAS, in 2015 Hawaii spent \$5,700,000,000 on imported oil, the equivalent of seven percent of the gross state product, with up to seventy percent of each barrel going toward transportation fuels, jet fuel being the greatest share and growing; and

WHEREAS, displacing as little as five percent of imported oil with a proven renewable source of fuel could significantly improve Hawaii's energy security, sustainability, and economy by addressing fuel price volatility; and

WHEREAS, the Hawaii Clean Energy Initiative was focused on achieving the goal of forty percent clean energy by 2030, and the State has since increased this renewable energy mandate to one hundred percent by 2045, including clean transportation energy; and

WHEREAS, Act 202, Regular Session of 2016, created tax incentives to support the end goal of energy security and sustainability by providing a renewable fuels production income tax credit for fuels including methanol, ethanol, or other alcohols, hydrogen, biodiesel or renewable diesel, other biofuels, renewable jet fuel, or renewable gasoline; and

WHEREAS, the Governor has a stated goal of doubling local food production, and increased food production integrated with renewable fuel production would enhance Hawaii's manufacturing sector, which is currently comprised of petroleum and gas refining and represents three percent of the gross state product, by creating food storage, hub/depositing centers, and processing plants; and

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WHEREAS, the Department of Transportation has created a sustainable transportation forum with a focus on renewable fuels, among other priorities, and co-sponsored a Hawaii Renewable Transportation Summit in 2016 with the Hawaii State Energy Office and the University of Hawaii Applied Research Laboratory; and

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WHEREAS, at the national level, the United States
Departments of Defense, Agriculture, and Energy have
collaborated with the commercial aviation industry to establish
the Commercial Aviation Alternative Fuel Initiative, which
includes Hawaii; and

 WHEREAS, the Obama Administration released the Federal Alternative Jet Fuels Research and Development Strategy in July 2016 and the United States Mid-Century Strategy for Deep Decarbonization in November 2016, which aims to achieve net greenhouse gas emissions reductions of eighty percent or more below 2005 levels by 2050; and

WHEREAS, Hawaii opted into the federal Renewable Fuel Standard II, which has been met to date by Hawaii petroleum distributors importing biofuels; and

WHEREAS, the development of an integrated food and biofuel supply chain within Hawaii would create storage, pre-processing, and conversion refinery plants, and coupling increased food production with increased biofuel feedstock production would provide additional revenue for farmers and reduce the overall costs of local food production; and

WHEREAS, the advancement of a vibrant bio-economy and biofuels supply chain in Hawaii, complementary to increased food production, could help address the lost jobs from plantation and refinery closures as well as mitigate the risks of petroleum supply and price shocks, especially within Hawaii's vital tourism sector; and

 WHEREAS, each of Hawaii's inhabited islands will be approaching the maximum capacity for solid, construction, green, food, and human waste within five to thirty years, and commercial enterprises in the continental United States have

shown that these types of waste are viable feedstock for renewable fuel production; and

WHEREAS, initiatives such as the Hawaii Clean Energy Initiative have developed industries and created jobs throughout Hawaii through new market, high technology, and renewable energy tax credits, and the Hawaii Green Fuels Initiative could further spur the creation of production, new market, refinery, and conversion technology tax credits; carbon credits; land use subsidies and set asides; crop insurance; sustainability and conservation credits; and other mechanisms to stimulate integrated food and fuel production; now, therefore,

 BE IT RESOLVED by the Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017, the House of Representatives concurring, that this body urges the significant growth, development, intensification, and expansion of agriculture to incorporate dedicated food and biofuel feedstock growth to achieve the goals of food and fuel sustainability and security through a Hawaii Green Fuels Initiative; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor; Director of Business, Economic Development, and Tourism; Administrator of the Hawaii State Energy Office; Chairperson of the Board of Agriculture; Chair of the Public Utilities Commission; Dean of the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa; Chairperson of the Hawaii Energy Policy Forum Steering Committee; Director of the Hawaii Renewable Energy Alliance; Mission Manager of the Green Initiative for Fuels Transition Pacific Working Group; President of the Hawaii Farmers Union United; and President of the Hawaii Farm Bureau.

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