Josh Green
GOVERNOR OF HAWAII

STATE OF HAWAIʻI
HAWAIʻI CLIMATE CHANGE MITIGATION & ADAPTATION COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
Leah Laramee
Coordinator, Hawaiʻi Climate Change Mitigation and Adaptation Commission

Before the House Committee on
ENERGY & ENVIRONMENTAL PROTECTION

Thursday February 1, 2024
9:30 AM
State Capitol, Via Videoconference, Conference Room 325

In support of
House Bill 2297
RELATING TO GREENHOUSE GAS EMISSIONS

House Bill 2297 requires the Hawaiʻi state energy office to adopt rules governing a clean fuel standard for gasoline and diesel in the State. **The Hawaiʻi Climate Change Mitigation and Adaptation Commission (Commission) <u>supports</u> this measure.**

The Commission is a multi-jurisdictional effort between 20 different State and county departments, and Legislative committees. The Commission believes that it is imperative to adopt clean fuel standards if we are to reach our mandated 2045 carbon emission goals. The transportation sector is the largest source of climate pollution in the state. Timely adoption of fuel standards is essential to protect our communities and advance emissions reduction targets.

Complementary policies are needed to support zero emission vehicle (ZEV) deployment on our roadways. This includes offering State-level incentives that can be combined with federal tax credits for the purchase and installation of electric vehicle (EV) chargers; leveraging investments through the National Electric Vehicle Infrastructure program to expand public charging availability; working with utilities to expand investments in ZEV infrastructure and otherwise prepare for vehicle electrification; and establishing EV-ready requirements to ensure new housing and parking facilities will accommodate EV charging infrastructure.

Clean fuel standards reduce harmful emissions of nitrogen oxides and fine particulates, improving public health for residents in the state and advancing environmental justice by reducing disproportionate exposure to vehicle pollution in frontline communities.

Mahalo for the opportunity to testify in support of this measure.

HAWAII STATE ENERGY OFFICE
STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, February 1, 2024
9:30 AM
State Capitol, Conference Room 325 and Videoconference

Providing Comments on
HB 2297

RELATING TO GREENHOUSE GAS EMISSIONS.

Chair Lowen, Vice Chair Cochran, and Members of the Committee, the Hawai'i State Energy Office (HSEO) provides comments on HB 2297, which requires HSEO to adopt rules governing a clean fuel standard for gasoline and diesel in the State.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy and the analysis completed through the development of the Act 238 Report, Pathways to Decarbonization.[1] Notably, implementing a Clean Fuel Standard, based on lifecycle carbon intensity, was discussed in Chapter 5 of the Decarbonization Report.

The Act 238 report notes:

> "Bioenergy, specifically biofuels, and alternative fuels will likely play a significant role in decarbonization.... With the selection of Stage 3 projects alone setting aside over 650 MW nameplate capacity by 2033 for bioenergy.[2] The electric sector is anticipated to require significant biofuel production and feedstock imports.

[1] Hawai'i State Energy Office (2023). Hawai'i Pathways to Decarbonization Report to the 2024 Hawai'i State Legislature. Act 238 (SLH 2022). Available at: https://energy.hawaii.gov/wp-content/uploads/2024/01/Act-238_HSEO_Decarbonization_Report.pdf

[2] Hawaiian Electric (2023) Renewable Project Status Board.

> However, as biofuels exhibit a diverse spectrum of lifecycle emissions, it becomes crucial to establish lifecycle carbon intensity standards which apply to all sectors. At a minimum, these standards should ensure that the carbon footprint throughout a biofuel's lifecycle remains consistently lower than that of fossil fuel. This approach ensures a stringent measure of environmental sustainability across various sectors. A clean fuel standard (CFS), or an adjustment to the RPS to account for the carbon emissions of biofuels [in the electric sector], would require fuel suppliers to gradually reduce the [carbon intensity] CI of the fuels sold and distributed within the state.
>
> Increasingly stringent CI reduction requirements can serve to decrease the CI of alternative fuels and help ensure that the state prioritizes low carbon fuel imports as they become commercially available." [3]

Accordingly, a CFS bill should support a lifecycle carbon intensity (CI) that is high enough to reflect fuels that are currently available while still being lower than the fossil fuel alternatives. Further, the CFS CI threshold should be low enough to reduce carbon emissions and the standard should have the flexibility to have the CI threshold decrease to encourage technological improvements and the adoption of cleaner fuels over time.

HSEO welcomes the intent of this bill which encourages measures to help attain Hawai‘i's decarbonization goals by providing market mechanisms to lower the carbon intensity of alternative fuels used in the state. However, HSEO recommends a modified approach to ensure the standard can be used to achieve the intent of the bill to widely support the deployment of clean transportation fuel technologies through a methodical reduction of the carbon intensity of fuels used in the state.

Specifically, HSEO has the following comments and concerns on the proposed measure in its current form:

<u>Scope of the Clean Fuel Standard</u>

HB 2297 covers a narrower scope of transportation fuels than that of other Clean Fuels Standards ("CFS") and Low-Carbon Fuel Standards ("LCFS") implemented in other states. Given the core purpose of a CFS is to promote better management of waste and resources, while incentivizing the use of fuels with lower lifecycle carbon intensity (CI), the scope of fuels covered under HB 2297 definitions may be too narrow to promote significant levels of decarbonization.

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[3] Hawai‘i State Energy Office (2023). Hawai‘i Pathways to Decarbonization Report to the 2024 Hawai‘i State Legislature. Act 238 (SLH 2022). Pages 226-229.

HB 2297 proposes to enforce a CFS on diesel, gasoline, and alternative fuels, the latter of which is defined as “any fuel that is used in transportation and derived from municipal solid waste, agriculture or forestry practices, construction waste, animal or food waste, or other biogenic biomass sources. Section 2 (c) of HB 2297 defines alternative fuel as “any fuel that is used in transportation and derived from municipal solid waste, agriculture or forestry practices, construction waste, animal or food waste, or other biogenic biomass sources.” However, other state fuel standards, such as those in Washington State and Oregon have CFS that apply to gasoline, gasoline substitutes, diesel, and diesel substitutes. California’s LCFS applies more broadly to (1) California reformulated gasoline; (2) California diesel fuel; (3) fossil compressed natural gas or fossil liquefied natural gas; (4) biogas CNG or biogas LNG; (5) electricity; (6) compressed or liquefied hydrogen; (7) a fuel blend containing hydrogen; (8) a fuel blend containing greater than 10 percent ethanol by volume; (9) a fuel blend containing biomass-based diesel; (10) denatured fuel ethanol; (11) neat biomass-based diesel; and (12) any other liquid or non-liquid fuel.[4] The EPA’s Renewable Fuels Standard (“RFS”) Program[5] also covers a broader range of renewable fuels.[6] Hawai‘i’s own alternate fuel standard goal, as codified in Hawai‘i Revised Statutes section 196-42, uses the federal definition of “alternate fuels,”[7] which also provides a broader definition of alternative fuels than that defined under HB 2297.

Accordingly, HSEO advises that an effective fuel standard would have a broadened scope of the CFS to include electricity and a broader range of alternative fuels. HSEO suggests the definition of covered fuels is consistent with EPA’s Renewable Fuel Standard.

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[4] ORS Chapter 468A, § 266.
[5] *Approved Pathways for Renewable Fuel*, EPA, https://www.epa.gov/renewable-fuel-standard-program/approved-pathways-renewable-fuel.
[6] 10 C.F.R. § 490.2.
[7] “Alternative Fuel” means “methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; natural gas, including liquid fuels domestically produced from natural gas; liquefied petroleum gas; hydrogen; coal-derived liquid fuels; fuels (other than alcohol) derived from biological materials (including neat biodiesel); three P-series fuels (specifically known as Pure Regular, Pure Premium and Pure Cold Weather) as described by United States Patent number 5,697,987, dated December 16, 1997, and containing at least 60 percent non-petroleum energy content derived from methyl-tetrahydrofuran, which must be manufactured solely from biological materials, and ethanol, which must be manufactured solely from biological materials; and electricity (including electricity from solar energy).” 10 C.F.R. § 490.2.

Clean Air Act Compliance, Federal Preemption, and State Implementation Plans

To be effective, fuel standards are authorized under the provisions of the Clean Air Act (CAA) which generally apply to areas that do not meet National Air Quality Standards (NAAQS).8 Under the CAA's 1990 amendments, most areas not in attainment with NAAQS must meet special compliance schedules, staggered according to the severity of an area's air pollution problem. Under Section 110 of the CAA, states must adopt State Implementation Plans (SIPs) and submit them to the EPA to ensure that they are adequate to meet the statutory requirements of the Clean Air Act. SIPs provide a plan for implementation, maintenance, and enforcement of the NAAQS in each state[9]

Title II of the CAA generally preempts states from adopting their own emission standards for new motor vehicles or engines. CAA Section 209(b) provides an exception to federal preemption of state vehicle emission standards:

> The [EPA] Administrator shall, after notice and opportunity for public hearing, waive application of this section [the preemption of State emission standards] to any State which has adopted standards (other than crankcase emission standards) for the control of emissions from new motor vehicles or new motor vehicle engines before March 30, 1966, if the State determines that the State standards will be, in the aggregate, at least as protective of public health and welfare as applicable Federal standards.

Only California can qualify for such a preemption waiver because it is the only state that adopted motor vehicle emission standards "prior to March 30, 1966." However, Section 177 of the CAA allows other states to adopt California's stricter motor vehicle emission standards in lieu of federal requirements, but only for non-attainment areas (i.e., areas where pollution levels have not met the NAQQS). Hawai‘i consistently receives "attainment" status from the EPA, therefore under Section 177 of the CAA, it is

8 https://crsreports.congress.gov/product/pdf/RL/RL30853
9 *Basic Information About Air Quality SIPs*, EPA, https://www.epa.gov/air-quality-implementation-plans/basic-information-about-air-quality-sips.

ineligible to adopt California's stricter vehicle emissions standards.[10] Nonetheless, the State of Hawai‘i could coordinate with the EPA to have a SIP for fuel standards that comport with the EPA's regulations if the EPA makes a finding that it is necessary to help the state achieve a NAAQS standard.[11] Thus, insofar that Hawai‘i's CFS is for motor vehicle emission control, Hawai‘i will likely have to modify its SIP for EPA approval. The State Department of Health, Clean Air Branch would be the coordinating agency for modifying Hawai‘i's SIP. HSEO recommends this step be incorporated into HB 2297 and be done prior to requiring rulemaking.

Importance of Complementary Policy

While a CFS with a temporally decreasing carbon intensity target is likely needed to meet Hawai‘i's emissions target (HRS §225P-5), the state should implement complementary policies that promote alternative fuel production, otherwise, alternative fuel supply may become an issue.

Act 122, Session Laws of Hawai‘i 2019 required HSEO to examine the implementation of a carbon pricing policy for Hawai‘i. The analysis noted Hawai‘i's relatively small market size and limited number of market participants limit the effectiveness of instituting a cap-and-trade policy. One way to bridge the limitation of market size may be for Hawai'i to join existing cap-and-trade policies that exist in other jurisdictions. States like Washington and California have discovered that a combination of LCFS and cap-and-trade help drive long-term investments in renewables and advanced fuels without which meaningful air quality improvements can be achieved in communities that are disproportionately impacted by carbon emissions. However, for California, researchers have found that the cap-and-trade currently is not stringent enough to drive substantial emission reductions because over time many covered

[10] *See* FACT SHEET: Review of Hawaii Status to Adopt a Zero Emission Vehicle Standard, HSEO (Dec. 2018), available at: https://energy.hawaii.gov/wp-content/uploads/2019/03/Review-of-Hawaii-Status-to-Adopt-a-ZEV-Standard_Dec2018.pdf

[11] A State may prescribe and enforce, for purposes of motor vehicle emission control, a control or prohibition respecting the use of a fuel or fuel additive in a motor vehicle or motor vehicle engine if an applicable implementation plan for such State under section 7410 of this title so provides. The Administrator may approve such provision in an implementation plan, or promulgate an implementation plan containing such a provision, only if he finds that the State control or prohibition is necessary to achieve the national primary or secondary ambient air quality standard which the plan implements." 42 U.S.C. § 7545(c)(4)(C)(i).

entities and outside investors have banked unused allowances.[12] A carbon tax program could serve a similar purpose if fuels not meeting the CFS are subject to an aggressive surcharge. Further research is needed to determine the appropriate complementary carbon pricing regime.

Standards for Measuring Net Greenhouse Gas Emissions

Section 2 (a) (3) requires the State Energy Office to adopt rules, which shall include (3) “Standards for measuring net greenhouse gas emissions using Argonne National Lab's GREET model attributable to the production and use of diesel, gasoline, and other alternative fuels throughout their lifecycles, including feedstock production or extraction, fuel production, transportation of raw materials and finished fuels, and greenhouse gas sequestrations;”.

HSEO notes that while the Argonne National Laboratory’s GREET is an ideal model for determining lifecycle carbon emissions, adjustments to the model would be needed, particularly to capture upstream emissions from in-state biofuels and feedstock, as the default feedstock carbon intensity calculator (FD-CIC) does not have Hawai'i-specific land characteristics built-in, these characteristics must be input by the user and can be both subjective and skewed by the user. California adopted its lifecycle models and documentation to overcome this challenge and ensure appropriate system boundaries were applied to the applicant's analysis.[13] Hawai‘i would likely need to do the same, additional resources would be needed to assist in the development of a HI-GREET Model.

HSEO thanks the Committee for hearing this bill and respectfully requests your consideration of the recommended modified approach and changes.

Thank you for the opportunity to testify.

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[12] California’s Cap-and-Trade Program: Frequently Asked Questions. (2023, October 24). Legislative Analyst’s Office. https://lao.ca.gov/Publications/Report/4811#:~:text=However%2C%20cap%2Dand%2Dtrade,significant%20number%20of%20unused%20allowances.

[13] California Air Resources Board (2023). LCFS Life Cycle Analysis Models and Documentation https://ww2.arb.ca.gov/resources/documents/lcfs-life-cycle-analysis-models-and-documentation

January 30, 2024

The Honorable Nicole Lowen, Chair
Committee on Energy & Environmental Protection
Hawaii House of Representatives
Honolulu, HI

Re: Vote "Yes" on SB 2297 – Implements a Clean Fuel Standard for Hawaii

Dear Chair Lowen & Members of the EEP Committee,

I write on behalf of the Biotechnology Innovation Organization (BIO) – the world's largest biotechnology focused trade group with members that produce agricultural, environmental, industrial, and health care products - to express strong support for House Bill 2297, legislation implementing a clean fuel standard (CFS) for Hawaii.

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.

The program's technology-neutral stance further encourages the introduction of new and diverse renewable fuels to the market. Furthermore, HB 2297 will spur investments in clean fuel technology in the state, generating new businesses, creating jobs, and growing the state's economy.

In a nutshell, SB 2768 is an important piece of legislation that can diversify Hawaii's economy, protect the environment, combat climate change, and establish Hawaii as a leader in a national transition to clean fuels. **For these and many other reasons BIO strongly supports HB 2297 and respectfully asks that you vote "yes" on bill.**

I appreciate your time and urge you to contact me at gharrington@bio.org or 202-365-6436 if you have any questions.

Sincerely,

Gene Harrington
Senior Director, State Government Affairs, Agriculture & Environment

Committee on Energy & Environmental Protection
Representative Nicole Lowen, Chair
Representative Elle Cochran, Vice Chair

February 1, 2024
9:30 a.m.
Conference Room 325

Thank you for the opportunity to submit testimony in **strong support of HB 2297**. My name is Cristina Cornejo and I am the 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.

HB 2297 creates the framework for the creation of a clean fuel credit market that exists outside of the state tax base. Similar CFS programs have been implemented in California, Oregon, Washington, and Canada, and currently there are more than 10 additional states considering CFS policies, due to their effectiveness. As an example of this success, over the past 12 years, 77% of all carbon reductions in California have been credited to the CFS that was implemented.

HB 2297 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 CA 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.

Another key component of HB 2297 is that it utilizes a 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 wheels basis and considers the full life cycle assessment of a fuel to determine its carbon intensity score. This ensures all fuels are scored on an equal playing field and the winners are those fuels with the lowest possible carbon intensity score.

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 2297 is a significant piece of the decarbonization puzzle and we at Neste are proud to support this pivotal policy.

Neste Background

Neste creates solutions for combating climate change and accelerating a shift to a circular economy. The company refines waste, residues and innovative raw materials into renewable fuels and sustainable feedstock for plastics and other materials.

MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Thursday, February 1, 2024 AT 9:30 A.M.

To The Honorable Nicole E. Lowen, Chair
The Honorable Elle Cochran, Vice Chair
Members of the committee on Energy & Environmental Protection

COMMENTS ON HB2297 RELATING TO GREENHOUSE GAS EMISSIONS

The Maui Chamber of Commerce would like to offer **COMMENTS on HB2297** which requires the Hawaii state energy office to adopt rules governing a clean fuel standard for gasoline and diesel in the State.

We support the intent of the bill. Given high cost of energy and high living wage, which includes the use of energy, the State should put priority on energy solutions that are more cost-effective and help bring down energy burdens for the public, private, and government sectors. In the development of any plan the Energy Office should be required to consult with a working group that consists of individuals from the fuel industry, business, tourism industry, manufacturing, construction, agriculture, activity industry (tours and boating), transportation (rental cars, vans, busses), and residents to ensure the new proposed rules balance our state's economic needs and competitiveness and public health and environment as noted in the bill.

The Chamber notes that there is a National Clean Fuel Standard being heard in the U.S. Congress. We would like to note that the State of Hawaii should be writing rules consistent with standards being discussed nationally. We encourage the legislature to think broadly in terms of groups that we feel should have a say once the rules are drafted. We feel that there should be extensive public input, and input from business groups who would like to have a say before the rules are finalized and implemented.

Mahalo for the opportunity to **COMMENT on HB2297**.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

Hawaiian Electric

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

HB 2297

Relating to Greenhouse Gas Emissions

February 1, 2024
9:30 PM, Agenda Item #10
State Capitol, Conference Room 325

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

Chair Lowen, Vice Chair Cochran and Members of the Committee,

My name is Nicholas O. Paslay and I am testifying on behalf of Hawaiian Electric regarding HB 2297, Relating to Greenhouse Gas Emissions.

The company supports a clean fuel standard; however, the bill as written doesn't clearly state if renewable fuel used for power generation is 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 15-17 (see underscored and strikethrough for amendments)
> Exemptions for diesel, gasoline, or other fuels used
> by aircraft, railroad locomotives, military vehicles, <u>power generation</u>
> and interstate waterborne vessels;

On page 6 lines 17-21 (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 7-10 (see underscored and strikethrough for amendments)
"Alternative fuel" means any fuel that is. used in
transportation or power generation and derived from municipal solid waste,
agriculture or forestry practices, construction waste, animal or
food waste, or other biogenic biomass sources.

Accordingly, Hawaiian Electric recommends the above amendments to HB 2298.

Thank you for this opportunity to testify.

International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, 5th Floor • HONOLULU, HI 96819-5003
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

TO: COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Hearing on Thursday, February 1, 2024, at 9:30AM, Room 325

RE: TESTIMONY IN **SUPPORT** OF HB2297

Honorable Chair Nicole E. Lowen, Vice Chair Elle Cochran, and Members of the Committee:
The International Brotherhood of Electrical Workers Local Union 1186 (IBEW 1186), is comprised of over 3,600 men and women working in electrical construction, telecommunications, civil service employees, and educator and faculty associations.

IBEW 1186 strives to be a part of the solution for the State's renewable energy goals. From training our members in renewable energy and energy storage systems, to constructing our own state-of -the-art facility for these training programs.

Supporting a Clean Fuel Standard (CFS) for Hawaii will reduce greenhouse gas pollution from the use of fossil fuels in our transportation system using a science based "carbon intensity" to measure the life cycle of greenhouse gases. If Hawaii is going to reach its clean energy goal of 100% clean energy by 2045, the transportation sector will need to be a focus as it accounts for 60% of the state's CO2 emissions.

CFS programs have already been adopted in Washington, Oregon, California, and all of Canada, with 14 other states considering implementing a CFS due to the program's efficacy. The fact is, a CFS is not a mandate, but rather an incentive program designed to promote the lowering of emissions in all transportation fuels. It can also be a great benefit to those needing access to EV's and EV infrastructure, industries that are difficult to decarbonize (i.e. maritime and drayage), business and commercial airlines seeking access to sustainable aviation fuels, and individuals seeking employment in the renewable sector.

Finally, the flexibility of the CFS program is a key component to its success. Fuel producers and importers can meet a lower carbon fuel standard by purchasing credits if they are not able to produce fuels that meet the carbon standard.

IBEW 1186 thanks you for the opportunity to testify in **Support** of HB 2297.

Sincerely,

Damien T.K. Kim
Business Manager/
Financial Secretary

SanHi
GOVERNMENT STRATEGIES
A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 1, 2024

TO: Representative Nicole E. Lowen
Chair, Committee on Energy & Environmental Protection

FROM: Tiffany Yajima / Jena Matila

RE: **H.B. 2297 – Relating to Greenhouse Gas Emissions**
Hearing Date: Thursday, February 1, 2024 at 9:30 a.m.
Conference Room: 325

Dear Chair Lowen, Vice Chair Cochran, and Members of the Committee on Energy & Environmental Protection:

On behalf of the Alliance for Automotive Innovation ("Auto Innovators") we submit this testimony providing **comments** in support of H.B. 2297, which requires the state energy office to adopt rules governing a clean fuel standard for gasoline and diesel in the state.

The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

Auto Innovators support the intent of this measure and would ask the committee for clarifying amendment on page 8 at line 7 to include electricity and hydrogen in the definition of "alternative fuel" as follows:

> "Alternative fuel" means any fuel that is used in transportation ~~and~~ including electricity, hydrogen, and fuels derived from municipal solid waste, agriculture or forestry practices, construction waste, animal or food waste, or other biogenic biomass sources.

Electric vehicles, which includes battery electric, plug-in hybrid electric, and fuel cell electric vehicles, use alternative fuels like electricity and hydrogen for power.

Auto Innovators support efforts to reduce vehicle greenhouse gas ("GHG") emissions, conserve energy, and transition vehicles to electric vehicles, and has worked with the federal government, state governments, and other stakeholders to establish fuel intensity standards in other states. This partnership has helped

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Honolulu, HI 96813 governmentaffairs@awlaw.com

states to reduce the carbon intensity of transportation fuels while also encouraging the use of clean fuels and zero-emission vehicles.

As Hawaii moves forward on efforts to establish clean fuel standards for diesel and gasoline in the state, Auto Innovators are ready and willing to serve as a resource on carbon reductions and baseline measurements for alternative fuels used in the transportation sector.

Thank you for the opportunity to submit this testimony.

Clean Energy
Ryan.Kenny@cleanenergyfuels.com

www.cleanenergyfuels.com

Ryan Kenny
Senior Public Policy and Regulatory Affairs Advisor – Western

Clean Energy U.S.

Committee on Energy & Environmental Protection
Representative Nicole Lowen, Chair
Representative Elle Cochran, Vice Chair

February 1, 2024
9:30 a.m.
Conference Room 325

Aloha Chair Lowen and Vice Chair Cochran:

On behalf of Clean Energy, I would like to express **strong support for HB 2297** which would adopt a Clean Fuel Standard (CFS), a program that would decarbonize Hawaii's transportation fuels and aligns with the state's ambitious goal of achieving 100% clean energy by 2045.

Our company was a foundation stakeholder since a CFS was conceived in the respective California, Oregon and Washington processes. Each of these states has been a success and we believe it will be a success in Hawaii as well. As North America's largest provider of renewable natural gas (RNG) transportation fuel with over twenty-seven years of leading industry experience, Clean Energy provides construction, operation and maintenance services for refueling stations nationwide. We have a deep understanding of the growing marketplace, as our portfolio includes over 600 stations in 43 states and we deliver liquified natural gas to Hawaii's utility and built a fuel station in Honolulu.

Already used as a clean, low carbon source of energy around the world, RNG is proven to be a cost-saving alternative fuel to diesel and gasoline. RNG for transportation fuel strengthens our economy with lower fuel costs, increases our energy security, and significantly benefits our environment by reducing carbon emissions and smog-forming NOx emissions by up to 300% and 99%, respectively, relative to diesel fuel.

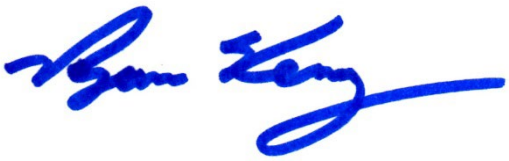
The CFS is a critical tool not only to effectively meet carbon emission reduction targets, but also as a mechanism that fosters technological innovation, supports a robust market for alternative fuels, provides long-term investment certainty and stimulates job creation and investment.

In addition, the CFS could provide compliance flexibility to producers of high carbon intensity transportation fuels to either invest in low carbon alternative fuels or to purchase credits from low carbon fuel producers. This market-based program enables regulated parties to make their own choice as to whether to invest in low carbon fuels directly or to continue to sell purely high carbon emitting fuels.

For example, California's LCFS is working: it's helping deliver clean air, good jobs and clean energy choices to all Californians and has strengthened the demand for low carbon fuels. California is the fifth-largest economy in the world: we can have clean fuels and grow our economy. The CFS is a powerful tool for supporting the commercialization of the fastest broad-market transitions to clean and low-carbon technologies.

Our company is a prime example of success from clean fuel standards and we look forward to continuing this success in Hawaii. **Please support HB 2297.**

Sincerely,



Ryan Kenny
Senior Public Policy & Regulatory Affairs Advisor – Western U.S.
Clean Energy