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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, March 21, 2024
9:31 AM
State Capitol, Conference Room 325 and Videoconference

In Support of
HCR 213 / HR 193

**REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A
RENEWABLE LIQUID FUELS WORKING GROUP TO STUDY LOCAL
PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR RENEWABLE LIQUID
FUELS.**

Chair Lowen, Vice Chair Cochran, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports HCR 213 / HR 193, requesting HSEO to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels.

Hawai'i's energy strategy seeks to establish an affordable, clean, resilient, and diversified energy resource portfolio. Locally-produced renewable fuels should play a vital role in the energy mix needed to decarbonize the transportation sector and contribute to Hawai'i's 100% renewable portfolio. However, land availability severely limits the amount of local production towards Hawai'i's economic, energy and agricultural objectives. HSEO agrees with the merit of convening local experts to identify potential opportunities, synergies, and barriers for these fuels.

Renewable liquid fuels have the potential to decrease carbon emissions from transportation, especially in aircraft and medium and heavy-duty vehicles.¹ However, the Decarbonization Report prepared by HSEO pursuant to Act 238 (2022) and submitted to the Hawai'i Legislature in December of 2023 pointed out that renewable liquid fuels have widely varying environmental and cost profiles, depending on a variety of factors. The proposed working group could bring together the appropriate energy stakeholders to meaningfully engage in an analytical review of resource base potential and the most appropriate approaches, strategies, realistic quantities, and associated incentives and recommendations for local production of renewable liquid fuels.

In support of this, HSEO recommends the following addition to page 3, starting on line 18:

“(9) And others, as invited by the chair; and”

This will allow the chair the flexibility to invite a participant not otherwise identified in the resolution.

HSEO is committed to the development of effective solutions for renewable liquid fuels that serve Hawai'i's environmental, economic, and community needs, and is already engaged in tracking the production of renewable fuels in Hawai'i. HSEO looks forward to supporting this sector of the energy economy.

Thank you for the opportunity to testify.

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/2022/10/Act-238_HSEO_Decarbonization_FinalReport_2023.pdf pages 105 and 113



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March 21, 2024

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

TESTIMONY ON HCR 213/HR 193

REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE LIQUID FUELS WORKING GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR RENEWABLE LIQUID FUELS

Conference Room 325 & Videoconference
9:31 AM

Aloha Chair Lowen, Vice-Chair Cochran, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports HCR 213 and HR 193, which requests the Hawai'i State Energy Office to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels.

Renewable energy production using biofuels can play a critical role in helping Hawai'i reach the goal of one hundred percent renewable energy by 2045, help to diversify Hawai'i's economy and agricultural sector, reduce greenhouse gas emissions, and reduce our dependence on imported oil.

HFB supports the production of dedicated energy crops, crop residues, and agricultural wastes into economically and environmentally sustainable biofuels and value-added byproducts such as livestock feed.

Finding viable uses for agricultural lands that will encourage environmental sustainability and produce positive economic cash flow for Hawai'i is a critical need. Locally grown biofuel feedstocks offer significant benefits for our farmers. These crops can thrive on marginal land, improving soil health and reducing erosion. They require less water and fertilizer than traditional row crops. By creating a demand for these crops, the renewable fuels industry can revitalize rural communities, create new jobs, and diversify farm income streams. Growing biofuel feedstocks locally helps to create new agricultural jobs, encourages food production, and does not compete with food crops when using oil seed cover crops. HFB believes these feedstocks will be able to provide a quality biofuel product and usable byproducts (such as animal feed) to help support Hawaii's sustainability goals and agricultural, ranching, and dairy sectors of the local economy.

Thank you for the opportunity to comment on this measure.



Testimony of
ALASKA AIRLINES

before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Thursday, March 21, 2024, 9:31 a.m.
Hawai'i State Capitol, Room 325

in consideration of
HCR 213 / HR 193

**REQUESTING THE HAWAII STATE ENERGY OFFICE TO CONVENE A RENEWABLE LIQUID FUELS
WORKING GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT, AND INCENTIVES FOR
RENEWABLE LIQUID FUELS.**

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

Alaska Airlines supports [House Concurrent Resolution 213 / House Resolution 193](#), which requests the Hawai'i State Energy Office to convene a renewable liquid fuels working group to study local production, development, and incentives for renewable liquid fuels. The convening of this proposed working group is critical to best facilitate and incentivize the production of a range of renewable liquid fuels in Hawai'i, including sustainable aviation fuel (SAF).

However, we would like to propose the following amendments to the measure:

Amendment #1: Add the Airlines Committee of Hawai'i (ACH) to the list of invited individuals to participate on the working group.

Rationale for Amendment: The inclusion of the Airlines Committee of Hawai'i (ACH) alongside Airlines for America (A4A) is critical. While A4A serves as a trade association for North American member airlines, ACH's participation would broaden the representation to include international carriers that serve Hawai'i's airports, thus ensuring that the perspectives and interests of global airline partners crucial to Hawai'i's aviation sector are also considered.

Amendment #2: On page 3, strike lines 19 to 35 and replace with the following:

*(1) Facilitate and prioritize the local production of renewable liquid fuels, **with a special emphasis on sustainable aviation fuel**, while also including renewable diesel and naphtha;*

(2) Identify potential feedstock and production technologies suitable for production and use within the State;

(3) Evaluate existing and potential new tax incentives for the development and utilization of renewable liquid fuels in Hawai'i, with a specific goal of expediting the development and utilization of sustainable aviation fuels;

(4) Evaluate the adoption of a clean fuel standard to incentivize the use of renewable liquid fuels.

Rationale for Amendment: Prioritizing sustainable aviation fuel is crucial because, unlike ground transportation, which can shift towards electrification, aviation lacks feasible alternatives to traditional liquid fuels due to the high energy density required for flight.

Amendment #3: On page 4, strike lines 1 to 6 and replace with the following:

(1) A list of proposed policy recommendations for the development and utilization of sustainable aviation fuel, aimed for introduction in the 2025 legislative session, to be submitted no later than December 1, 2024; and

(2) A report providing an update of its work and progress no later than December 1, 2025; and

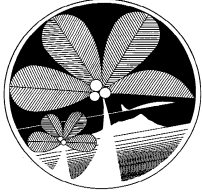
(3) A final report of its findings and recommendations, including any proposed legislation, no later than December 1, 2026; and

Rational for Amendment: Delaying the introduction of proposed legislation for two years could impede airlines' efforts to meet sustainability goals and hinder potential producers from commencing production. Certain regulatory frameworks are needed to make investment decisions and initiate production processes

Emphasizing the critical need to increase the production and utilization of sustainable aviation fuel in Hawai'i is crucial to our industry's combined efforts to reduce our carbon footprint and better support the state's broader sustainability goals.

Mahalo for the opportunity to testify on this measure.

AIRLINES COMMITTEE OF HAWAII



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

Thursday, March 21, 2024; 9:31 a.m.
Conference room 325 & Videoconference

RE: HCR 213/HR 193 Requesting the Hawaii State Energy Office to Convene a Renewable Liquid Fuels Working Group to Study Local Production, Development, and Incentives for Renewable Liquid Fuels – IN SUPPORT, REQUEST AMENDMENT

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

The Airlines Committee of Hawaii (ACH), comprised of 20 signatory air carriers that serve the State of Hawaii, appreciates the opportunity to offer testimony in support of HCR 213 and HR 193 - Requesting the Hawaii State Energy Office to Convene a Renewable Liquid Fuels Working Group to Study Local Production, Development, and Incentives for Renewable Liquid Fuels.

As the ACH represents both domestic and international carriers, and sustainable aviation fuel initiatives are a priority of our industry, we would like to request an amendment to include a representative from the ACH be invited to participate in the working group.

Thank you for the opportunity to submit testimony. We ask for your favorable consideration in passing these resolutions with our requested amendment.

Sincerely,

Airlines Committee of Hawaii Executive Committee

A handwritten signature in black ink, appearing to read "B. Baker".

Brendan Baker

A handwritten signature in black ink, appearing to read "M. Berg".

Mark Berg

A handwritten signature in blue ink, appearing to read "D. Sellers".

David Sellers

A handwritten signature in black ink, appearing to read "Randall Fiertz".

Randall Fiertz

A handwritten signature in black ink, appearing to read "Richard Ide".

Richard Ide

**ACH members are Air Canada, Air New Zealand, Alaska Airlines, All Nippon Airways/Air Japan, Aloha Air Cargo, American Airlines, China Airlines, Delta Air Lines, Federal Express, Fiji Airways, Hawaiian Airlines, Japan Airlines, Korean Airlines, Philippine Airlines, Qantas Airways, Southwest Airlines, Sun Country, United Airlines, United Parcel Service, and WestJet.*



March 21, 2024

**TESTIMONY IN SUPPORT TO HCR213 / HR193
REQUESTING THE HAWAII STATE ENERGY OFFICE TO
CONVENE A RENEWABLE LIQUID FUELS WORKING
GROUP TO STUDY LOCAL PRODUCTION, DEVELOPMENT,
AND INCENTIVES FOR RENEWABLE LIQUID FUELS.**

House Committee on Energy & Environmental Protection
The Honorable Nicole Lowen, Chair
The Honorable Elle Cochran, Vice Chair
Tuesday, March 21, 2024, 9:31 am
VIA VIDEOCONFERENCE
Conference Room 325
State Capitol
415 South Beretania Street

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

Island Energy Services (IES) supports the intent of HCR213 / HR193 to convene a Renewable Liquid Fuels Working Group to study the local production, development and incentives for renewable liquid fuels. IES believes the input from the “Working Group” is a critical step at this time to set in motion a smooth transition to the stated policy of reducing and ultimately eliminating the use of hydrocarbon-based liquid fuels by 2045. Determining the appropriate steps along an orderly pathway, with the least amount of disruption, will require a concerted effort from a broad range of in-state stakeholders likely informed by experiences from outside of Hawaii. Recognizing that the production of the necessary replacement liquid fuels in sufficient quantities cannot be achieved in its entirety via local production, importation will be paramount to any plan to achieve a fossil-free energy system. As a major local fuel supplier, and Hawaii’s premier importer of liquid fuels, IES strongly suggests the list of representatives include an entity with a demonstrated ability to successfully import large cargoes of liquid fuels.

BE IT FURTHER RESOLVED that the chairperson of the working group is requested to invite the following individuals to participate in the working group:

- (1) A representative from the Hawaii Farm Bureau;

- (2) A representative from Airlines for America;
- (3) A representative from Hawaiian Electric;
- (4) A representative from Hawaii Gas;
- (5) A representative from the Kauai Island Utility Cooperative;
- (6) A representative from local feedstock producers;
- (7) A representative from local fuel producers; and
- (8) A representative from a non-profit organization with a focus on climate change mitigation, environmental sustainability, or renewable energy; and
- (9) A representative from a local fuel importer, with state-wide logistical supply and distribution capability; and

IES is a locally managed and headquartered integrated logistics and retail fuel supplier providing over 20% of the liquid energy needs of the State of Hawai'i. Our operations extend across all islands with major assets on Oahu, Maui, Kauai, and Hawaii Island. At IES, our local workforce of 285 employees takes tremendous pride in serving our customers safely, environmentally responsibly, reliably, efficiently with cost competitive products and services. Whether you and your goods are moving by air, land, or sea, IES is there to support island residents now and into the future. As for the future, IES is collaborating with other partners to transition Hawai'i's energy supply to ever cleaner sources of energy including, biofuels such as renewable fuels for electrical power generation, ground and marine transportation and sustainable aviation fuel (SAF) for airplanes.

We thank the House Energy & Environmental Protection Committee for hearing this bill and thank you for the opportunity to testify.

Albert D.K. Chee, Jr.
Vice President