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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**SENATE COMMITTEES ON
ECONOMIC DEVELOPMENT AND TOURISM
AND
ENERGY AND INTERGOVERNMENTAL AFFAIRS**

Tuesday, March 24, 2026
1:01 PM
State Capitol, Conference Room 229 and Videoconference

Providing Comments on
HB 2423, HD3

RELATING TO BIODIESEL.

Chairs DeCoite and Wakai, Vice Chairs Wakai and Chang, and Members of the Committees, the Hawai'i State Energy Office (HSEO) is providing comments on HB 2423, HD3, which requires the Director of Business, Economic Development, and Tourism to adopt rules to require that diesel fuel sold in the State for use in on-highway diesel-powered motor vehicles contains no less than five percent biodiesel by volume.

HSEO recognizes that this measure seeks to reduce reliance on fossil fuels and advance Hawai'i's statutory climate and clean energy goals, including the State's commitment to achieving a net-negative greenhouse gas economy and reducing petroleum consumption in the transportation sector. Diversifying the liquid fuels pool and supporting lower-carbon alternatives are important components of Hawai'i's broader decarbonization strategy. At the same time, HSEO has concerns related to implementation costs, long-term supply certainty, and overall logistics in an isolated and highly import-dependent fuel market.

HSEO notes that the Legislature repealed a ten percent ethanol blending mandate in 2015, which had originally been established in 2006. The repeal was driven

in part by higher-than-anticipated costs, infrastructure challenges, and limited supplier competition associated with importing ethanol into Hawai'i. That experience underscores the importance of carefully evaluating how fuel-specific blending mandates function within Hawai'i's unique market conditions.

Hawai'i's local producers play an important role in advancing energy security, supporting agricultural diversification, and creating economic opportunity within the State. Further, HSEO acknowledges that a 5% biodiesel requirement is materially lower than the prior ethanol mandate and that biodiesel has an established presence in fleet applications. However, before establishing a statewide volume requirement, it is important to assess projected cost impacts, distribution system readiness, fuel quality management, and the ability of suppliers to provide consistent volumes without disrupting existing supply chains.

Volume requirements should be evaluated in the context of Hawai'i's existing diesel market, refinery and terminal capabilities, and retail distribution systems. A comprehensive understanding of potential price impacts, compliance timelines, and interactions with federal Renewable Fuel Standard obligations would help ensure that the mandate achieves its intended environmental benefits without unintended economic consequences.

For those reasons, HSEO generally advises against establishing fuel-specific mandates and prefers fuel selection by criteria such as cost, carbon intensity, and technical readiness when aligned with Hawai'i's renewable portfolio and decarbonization laws. HSEO strongly supports the continued development of locally grown and locally produced biodiesel and renewable fuels, and supports the appropriate incentives to complete this.

Thank you for the opportunity to testify.



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March 23, 2026

TESTIMONY ON HB 2423 HD3, RELATING TO BIODIESEL

SUPPORT

Senator Lynn DeCoite, Chair
Committee on Economic Development and Tourism
Senator Glenn Wakai, Chair
Committee on Energy and Intergovernmental Affairs
Hearing: March 24, 2026, 1:01pm, Conf Room 229

Aloha Chairs DeCoite and Wakai, and Members of the Committee,

Pacific Biodiesel **strongly supports HB 2423 HD3**, which establishes a 5% biodiesel blending requirement for all highway diesel fuel sold in Hawai'i. Known in the industry as **B5**, this blend is a mild beginning to reduce Greenhouse Gas emissions and our reliance on foreign fossil fuel sources. It will provide the much-needed stable market for approximately 2.2 million gallons of locally produced biodiesel each year. Pacific Biodiesel has this additional capacity available at our Big Island biodiesel refinery today.

The US Standard for diesel fuel is ASTM D975. All diesel fuel sold in the US must meet this standard, and all diesel engines sold in the US must operate on this fuel. The ASTM D975 standard already includes blends of biodiesel up to 5%. There are no additional requirements for testing or labeling for B5. B5 inherently meets the diesel fuel specification. As such, we request that Section 3 of this bill requiring a DBEDT report be deleted. This report will be useful only if higher blends such as B50 or B100 are considered. It is unnecessary for the proposed B5 level.

Due to urgent global issues, we also ask that the mandate be implemented upon signing.

Mahalo,

A handwritten signature in black ink that reads "Bob King".

Bob King
Founder and President
Pacific Biodiesel



Hawai'i Island Chamber of Commerce

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**Testimony to the Senate Committee on Economic Development & Tourism
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair**

Tuesday, March 24, 2026 at 1:01 PM

RE: HB2423 HD3 Relating to Biodiesel - SUPPORT

Aloha e Chair DeCoite, Vice Chair Wakai, and Members of the Committee:

The Hawai'i Island Chamber of Commerce, representing more than 350 businesses and individual members primarily on the east side of Hawai'i Island, respectfully submits testimony in SUPPORT of House Bill 2423 HD3.

This measure requires that, by January 1, 2028, diesel fuel sold in the State for on-highway vehicles contain at least five percent biodiesel, while allowing flexibility if supply is insufficient. It also ensures coordination, planning, and public transparency through required reporting and consultation with the Department of Transportation.

We support the continued development of locally produced biodiesel and renewable fuels, which strengthen energy security, support agricultural diversification, and create local economic opportunity. Increasing the use of local biofuels can reduce reliance on imported petroleum, mitigate exposure to volatile global prices, and keep energy dollars circulating within Hawai'i rather than being sent overseas.

At the same time, careful implementation is essential. Consideration should be given to potential cost impacts on businesses and consumers, fuel supply reliability, and the infrastructure needed to support this transition.

HB2423 HD3 is a positive step toward a more resilient, locally driven clean energy economy.

Mahalo for the opportunity to testify.

Respectfully submitted,

Carla Kuo
Executive Officer
Hawai'i Island Chamber of Commerce



**TESTIMONY OF TINA YAMAKI, MANAGING DIRECTOR
HAWAII TRANSPORTATION ASSOCIATION
MARCH 24, 2026
HB 2423 HD3 RELATING TO BIODIESEL**

LATE

Aloha Chair DeCoite and Chair Wakai and members of the Senate Committee on Economic Development and the Senate Committee on Energy and Intergovernmental Affairs. I am Tina Yamaki, Managing Director of the Hawaii Transportation Association and I appreciate this opportunity to testify.

The Hawaii Transportation Association (HTA Hawaii) was founded in 1938 and incorporated in 1963, and is a private, non-profit trade organization dedicated to the service and assistance to the commercial ground transportation industry in the State of Hawaii. Our members include family owned small and medium sized businesses, independent owner operators, and national motor carriers range from delivery services to passenger carriers - as well as allied industry partners.

HTA Hawaii supports the intent of HB 2423 HD3. This measure requires the Director of Business, Economic Development, and Tourism to implement a requirement that, no later than January 1, 2028, diesel fuel sold in the State for use in on-highway diesel-powered motor vehicles contains no less than five per cent biodiesel by volume, except in circumstances where the supply of biodiesel is insufficient. Requires the Department of Business, Economic Development, and Tourism to submit a report to the Legislature, including a comprehensive rollout plan, and later present this plan to the public; requires the Director to consult with the Department of Transportation during development and implementation of the biodiesel requirements, and is effective 7/1/3000.

HTA Hawaii recognizes the importance of advancing more sustainable energy practices within our State's transportation sector. Biodiesel blends have demonstrated potential to reduce greenhouse gas emissions, support cleaner air quality, and align with Hawai'i's broader climate and environmental goals.

However, HTA Hawaii also believes businesses should have flexibility and choice in how they meet evolving fuel and energy requirements. We also recommend that there also be an option to also provide diesel with zero blends (pure diesel) as an alternative to the 5% for all transportation companies.

While we support the underlying environmental purpose of this measure, we respectfully offer the following concerns:

HTA Hawaii supports the intent of establishing a 5% biodiesel requirement as a step toward sustainability. At this time, we do NOT support mandating biodiesel blends above 5% statewide, as higher blends may have technical and economic implications for certain vehicle fleets and fuel infrastructure.

High blends of biodiesel are associated with elevated mechanical risk, especially in older diesel engines, that include accelerated fuel filter plugging due to solvent effects and deposit release, increased injector wear or failure, and degradation of elastomers and seals within the fuel system.

The potential cost implications of biodiesel mandates above 5% are currently unknown. Without clear cost data and market analysis, it is difficult to fully assess how additional requirements might affect fuel pricing.

If biodiesel blends increase the cost of diesel fuel, those costs are likely to be passed through to consumers and businesses. Higher transportation fuel costs can contribute to inflationary pressure on essential goods and services, including groceries, clothing, building materials, and visitor transportation services — sectors that directly impact both residents and the visitor economy.

For these reasons, HTA Hawaii urges the Committee to ensure that any rulemaking or future increases consider business impacts, fuel market dynamics, and necessary safeguards to prevent undue economic burden.

Mahalo for this opportunity to testify.

HB-2423-HD-3

Submitted on: 3/18/2026 7:50:17 PM

Testimony for EDT on 3/24/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2423 HB RELATING TO BIODIESEL

NOT TO INCLUDE LNG

CURRENT WAR - IRAN WILL HELP THE TRUCKING INDUSTRY WITH DIESEL FUEL COST

HB-2423-HD-3

Submitted on: 3/22/2026 4:06:20 PM

Testimony for EDT on 3/24/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

I support this bill. Mahalo!