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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday March 4, 2026
2:00 PM
State Capitol, Conference Room 329 and Videoconference

Providing Comments on
HB 2423, HD2

RELATING TO BIODIESEL.

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee, the Hawai'i State Energy Office (HSEO) is providing comments on HB 2423, HD2, that 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HSEO notes that the Legislature repealed a 10% ethanol blending mandate in 2015, which had originally been established in 2006.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.

HSEO acknowledges that a 5% biodiesel requirement is materially lower than the prior ethanol mandate and that biodiesel has an established presence in certain 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 analysis 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.

HSEO strongly supports the continued development of locally grown and locally produced biodiesel and renewable fuels. Hawai'i's local producers play an important role in advancing energy security, supporting agricultural diversification, and creating economic opportunity within the State.

For those reasons, HSEO generally advises against establishing fuel-specific mandates at this time 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.

Thank you for the opportunity to testify.



March 4, 2026

Hawai'i State Legislature
House Committee on Consumer Protection & Commerce

Re: Comments on HB 2423 HD2, Relating to Biodiesel

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee,

On behalf of the Hawai'i Automobile Dealers Association (HADA), we offer comments on HB 2423 HD2, Relating to Biodiesel. This bill requires the Director of Business, Economic Development, and Tourism to implement a statewide mandate that, by January 1, 2028, all diesel fuel sold for on-highway diesel vehicles contain at least five percent biodiesel, and to develop, publicly present, and report to the Legislature on a comprehensive rollout plan in consultation with the Department of Transportation.

While we recognize that this measure is intended to decrease dependence on fossil fuels and further Hawai'i's clean energy and climate objectives, including the State's commitment to lowering greenhouse gas emissions and reducing petroleum use in the transportation sector, the Hawai'i Automobile Dealers Association believes it is important to carefully consider the practical implications of implementation.

In particular, attention should be given to the anticipated costs to businesses and consumers, the reliability and availability of vehicle supply, and the infrastructure and logistical capacity necessary to successfully carry out these policy goals. Reliance on imported feedstock would make Hawai'i vulnerable to global feedstock price volatility, supply disruptions, and increased transportation costs. We have consistently noted our concerns when measures such as this one could limit the availability of vehicles that can be sold in our state.

Thank you for the opportunity to provide comments on this measure.

The Hawai'i Automobile Dealers Association is the voice of 71 new car dealerships across the islands, accounting for over 4,000 direct jobs, \$6 billion total sales and more than \$250 million in general excise taxes paid.



March 4, 2026

Hawai'i State Legislature
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**TESTIMONY OF TINA YAMAKI, MANAGING DIRECTOR
HAWAII TRANSPORTATION ASSOCIATION
MARCH 4, 2026
HB 2423 HD2 RELATING TO BIODIESEL**

Aloha Chair Matayoshi and members of the House Committee on Consumer Protection & Commerce. 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 HD2. 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; requires the Department of Business, Economic Development, and Tourism to submit a report to the Legislature, including a comprehensive rollout plan. Requires the Director to consult with the Department of Transportation and present the comprehensive rollout plan to the public; 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 Hawaii'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.



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March 3, 2026

TESTIMONY ON HB 2423 HD2, RELATING TO BIODIESEL

SUPPORT

Representative Scot Z. Matayoshi, Chair
Representative Tina Nakada Grandinetti, Vice Chair
Committee on Consumer Protection & Commerce
Hearing: March 4, 2026, 2:00pm, Conf Room 329

Aloha Chair Matayoshi, Vice Chair Grandinetti and Members of the Committee,

Pacific Biodiesel **strongly supports HB 2423 HD2**, 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, but 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 at our Big Island biodiesel refinery today.

Biodiesel is an energy-dense renewable fuel source that promotes energy security in Hawai'i, supports USA national security and benefits the local circular economy. Biodiesel has one of lowest carbon footprints of any fuel, reducing greenhouse gas emissions by 86% compared to fossil diesel.

Pacific Biodiesel produces our biodegradable, non-flammable, non-toxic fuel with used cooking oil recycled from Hawai'i's restaurants and food service facilities, keeping potentially hazardous waste out of local landfills. Additionally, with our carbon negative regenerative farming operations, we locally produce biodiesel feedstock from virgin oils such as sunflower and canola oil. Our model also contributes culinary oils and high-protein meal for livestock feed to the local food system. Pacific Biodiesel's "ag and energy" model today is demonstrating a "net carbon negative" renewable fuel and food system that is a beneficial circular economy model.

B5 will support continued expansion of biodiesel production for our state – urgent now more than ever.

Pacific Biodiesel is acutely aware of the important role our biodiesel production plays in supporting military readiness and energy resilience in our state. Given our State's strategic location, locally produced biodiesel ensures a reliable, readily available local supply of biofuel at key Department of Defense locations in Hawai'i and the Indo-Pacific region to help protect United States national security and military preparedness and further reduce reliance on imported crude oil, especially from dangerous sources like Russia-backed Libya.

With the current war and crude oil supply disruptions in the Middle East, gas and diesel prices will likely spike in the coming weeks. Pacific Biodiesel has always strived to show the economic as well as environmental benefits of locally produced clean fuel, and our biodiesel price continues to be stable and unaffected by national conflict. Having a **B5** blending requirement for all highway diesel fuel sold in Hawai'i will help to moderate unpredictable diesel prices somewhat. As we have watched petroleum costs spike and drop due to external circumstances over the past 3 decades we have been in business, we have focused on pricing with a fair margin based on inputs and at times have been able to provide savings to our customers. In fact, we have not raised our retail or wholesale prices in over a year, something unheard of in the petroleum industry!

Current biodiesel production in Hawai'i is 6 million gallons annually. With a stable market, biodiesel produced from Hawai'i-sourced feedstock can feasibly scale to 16 million gallons annually by 2040 – *this total vertical integration to locally grow and produce biodiesel epitomizes energy security!*

B5 is a proven, low-risk approach to achieve immediate reduction in greenhouse gas emissions.

- B5, 5% biodiesel blended with 95% petroleum diesel, is a minimal blend (considered a benign fuel additive).
- B5 is universally accepted by ALL vehicle manufacturers for use in any diesel engine (no warranty or maintenance issues).
- B5 is quickly deployable:
 - Biodiesel can be used in Hawai'i's existing liquid fuel infrastructure today.
 - Hawai'i currently has in-state production capacity to provide B5 now.
 - A high-volume fuel blending rack is online at the in-state diesel refinery.
 - It requires no special labeling at the pump.

Several states have a successful track record with B5 and other high biodiesel blends. For example, Minnesota is the first and longest-running biodiesel mandate in the nation (continuous since 2005). It uses a seasonal minimum biodiesel blending strategy – currently B5 in winter, B10 early spring and B20 in summer. And in California, 100% Renewable Biofuel is the on-road standard: Biodiesel + Renewable Diesel (B20/R80) now comprises nearly 75% of California's diesel fuel supply.

As Hawai'i embraces electric vehicles, it is important to recognize that a large portion of our transportation infrastructure will remain dependent on traditional fossil fuel, leading to an electrification gap. Biodiesel can help to fill that gap and bring immediate greenhouse gas emission reductions for the hard-to-electrify sectors – like large trucks, buses, and boats where new electric vehicle technology is extremely expensive, not widely available and lacks the same payload as diesel engines. Furthermore, a recent USC study has shown that Hawai'i's locally produced biodiesel has superior lifecycle environmental and economic benefits compared with electric transportation: <https://incose.onlinelibrary.wiley.com/doi/10.1002/iis2.70102>

In, Hawai'i, B5 may add only pennies to the price of local fuel, similar to the typical fluctuations in diesel fuel prices. But it will quickly translate to significant positive environmental impact. For example:

- In 2024, 44 million gallons of fossil diesel highway fuel was used statewide.
- Of that amount, B5 would equate to 2.2 million gallons of biodiesel.
- 2.2 million gallons of biodiesel prevents 46.2 MILLION LBS of CO₂/year or 20,952 metric tons of CO₂.

We can not and should not sit back and wait for a 100% zero emission future.

The further we move towards our goal of 100% renewable, the more critical liquid biofuel sources will become. Hawai'i must expand biofuel use as soon as possible and support additional local production now to meet the needs later. B5 for our highway fuel is a small but significant step to get that zero emission target started now.

Mahalo,



Bob King
Founder and President
Pacific Biodiesel

HB-2423-HD-2

Submitted on: 3/2/2026 5:28:11 PM

Testimony for CPC on 3/4/2026 2:00:00 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.

for these reasons from page 4 cooking oil or grease; animal residues and wastes; and sewage and landfill wastes that comply with ASTM International standard D6751.

RECYCLING SEWAGE AND LF WASTES

HB-2423-HD-2

Submitted on: 3/2/2026 7:31:15 PM

Testimony for CPC on 3/4/2026 2:00:00 PM

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

Comments:

STRONG SUPPORT!!!

5% is very reasonable and will help local farmers which helps the overall economy.

Mahalo!