



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION
AND
WAYS AND MEANS**

Tuesday, April 7, 2026
10:30 AM
State Capitol, Conference Room 211, and Videoconference

Providing Comments on
HB 2423, HD3, SD1

RELATING TO BIODIESEL.

Chairs Keohokalole and Dela Cruz, Vice Chairs Fukunaga and Moriwaki, and Members of the Committees, the Hawai'i State Energy Office (HSEO) is providing comments on HB 2423, HD3, SD1 which requires the Director of Business, Economic Development, and Tourism to adopt rules to require that diesel fuel sold in the counties with a population of more than two hundred thousand but less than three hundred thousand persons 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HSEO notes that the Legislature repealed a ten percent ethanol blending mandate in 2015, which had originally been established in 2006.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 produced biodiesel and renewable fuels, and the appropriate, non-regressive incentives to advance this.

Thank you for the opportunity to testify.



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April 5, 2026

TESTIMONY ON HB 2423 HD3 SD1, RELATING TO BIODIESEL

SUPPORT

Senator Donovan Dela Cruz, Chair
Committee on Ways and Means
Senator Jarrett Keohokalole, Chair
Committee on Commerce and Consumer Protection
Hearing: April 7, 2026, 10:30am, Conf Room 211

Aloha Chairs Dela Cruz and Keohokalole, and Members of the Committee,

Pacific Biodiesel **strongly supports** **HB 2423 HD3 SD1**, which establishes a 5% biodiesel blending requirement for highway diesel fuel sold in Hawai'i. Known in the industry as **B5**, this blend helps reduce Greenhouse Gas emissions and our reliance on foreign fossil fuel sources. If enacted state-wide 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.

If the blend requirement retains SD1 language for only Hawai'i Island, the yearly amount of biodiesel needed would be less than 58,000 gallons. This production equals 4 days per year of our Puna plant capacity, not a significant volume, and would greatly reduce the potential stabilization of fuel prices statewide as well as the aforementioned step towards meeting our greenhouse gas goals, Navahine settlement and 2045 mandate.

It seems some are concerned with the 5% biodiesel volume in diesel fuel, mostly based on cost. Today, biodiesel is actually the lowest cost fuel on all islands. It is likely that any diesel fuel imported to Hawai'i already contains 5% biodiesel as allowed by law without labelling as such. As far as engine performance, studies show no changes to power, fuel economy, or torque. B5 acts similarly to conventional diesel, requiring no engine modifications while providing better lubrication, reducing engine wear, and operating safely in all compression-ignition engines. In fact, most diesel fuel sold on the West Coast contains 20% biodiesel and 80% renewable diesel. Indonesia just advanced their biodiesel mandate for all diesel fuel to 50% by volume starting July 1st.

All fuel wholesalers in Hawai'i are able to integrate B5 into their diesel fuel without modifications or other difficult logistics.

Due to urgent global issues and cost benefit 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

HB-2423-SD-1

Submitted on: 4/5/2026 7:39:34 PM

Testimony for CPN on 4/7/2026 10:30:00 AM

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

Comments:

SUPPORT!!! MAHALO!