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DEPARTMENT OF LAND AND NATURAL RESOURCES
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
LEAH LARAMEE
Climate Change Coordinator on behalf of
Climate Change Mitigation and Adaptation Commission
Co-Chair Ryan K. P. Kanaka'ole**

**Before the Senate Committee on
WAYS AND MEANS**

**Monday, March 2, 2026
10:00 AM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2999
RELATING TO A CLEAN FUEL STANDARD**

Senate Bill 2999 proposes to require the Department of Transportation to adopt rules by 1/1/2028 governing a clean fuel standard for alternative fuels in the State, **The Hawai'i Climate Change Mitigation and Adaptation Commission (Commission) supports this measure.**

The Commission consists of a multi-jurisdictional effort between 20 departments, committees, and counties with the purpose of promoting ambitious, climate-neutral, culturally responsive strategies for climate change adaptation and mitigation.

Setting a clean fuel standard will reduce carbon pollution from transportation, the largest source of greenhouse gas (GHG) emissions in Hawai'i by reducing these emissions from the production and supply of transportation fuels. Washington, California, Oregon New Mexico, and British Columbia, Canada, have adopted clean fuel standards. In California, renewable natural gas (RNG) made up just 5.1% of all on-road alternative fuels and generated 19.2% of all CO2 equivalent reductions of on road alternative fuels. In addition to reducing GHG emissions, clean fuel standards diversify the transportation fuel supply and improve public health. Clean fuel standards provide economic opportunity and can create jobs associated with the production and delivery of new fuels. Clean fuel standards look at life cycle emissions, not just tailpipe emissions ensuring that truly clean fuels are identified. Mahalo for the opportunity to comment on this measure.



March 2, 2026

**COMMENTS TO
SB 2999
RELATING TO A CLEAN FUEL STANDARD**

Senate Committee on Ways and Means
The Honorable Donovan Dela Cruz, Chair
The Honorable Sharon Moriwaki, Vice Chair

Monday, March 2, 2026, 10:00 a.m.

VIA VIDEOCONFERENCE
Conference Room 211
State Capitol
415 South Beretania Street

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Island Energy Services, LLC ("IES") offers the following comments on SB2999, which proposes the implementation of a Clean Fuel Standard (CFS) for Hawai'i.

The CFS program's flexibility is a key factor in its potential success. By allowing producers to choose how they reduce emissions, whether using 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.

The CFS program treats both local renewable production and renewable fuel imports equitably when considering the carbon intensity. We very much support in-state production of biofuels, however imports will need to be part of the fuel solution to enable Hawaii to meet its long range decarbonization goals and this CFS program allows imports for that to be possible.

Hawaii should be aligning carbon regulations with the other western states and Canada (CA, OR, WA, BC) given its geographic location and market dynamics to create a level commercial playing field. Hawai'i will be in direct competition with the U.S. West Coast states and British Columbia

for renewable fuels and without a carbon pricing or similar CFS program, Hawai'i will be at a distinct commercial disadvantage to attract renewable fuels.

The CFS program is an equitable way to drive carbon intensity down across end-users. IES believes that CFS programs are a more equitable way to drive carbon intensity down rather than tax-based programs. CFS programs burdens the users of the fuel rather than unfairly burdening the taxpayers of Hawaii.

Given the requirements outlined in the Navahine v. Hawaii Department of Transportation settlement to address climate concerns in the transportation sector, IES believes that fuels for intrastate marine vessels should be included in the program as well. As written, the current bill allows for exemptions for diesel, gasoline, or other fuels used by aircraft, railroad locomotives, military vehicles, and interstate waterborne vessels.

We thank the Senate Ways and Means Committee for hearing this bill and thank you for the opportunity to testify.

Albert D.K. Chee, Jr
Executive Vice President Island Energy Services, LLC



Senate Ways and Means Committee

March 2, 2026

SB 2999, Relating to a Clean Fuel Standard

Position: Support

The Low Carbon Fuels Coalition is a non-profit trade association that represents the entire value chain of clean fuels industry. Our members include some of the leading companies and organizations that produce, supply and/or represent liquid, gaseous and electric fuels for all transportation sectors including on-road, aviation and marine, as well as large users of these fuels.

The Coalition can attest to the effectiveness of existing similar programs in California, Oregon and Washington, and therefore, supports SB 2999 in Hawaii. Real-world data shows that not only do these programs support greenhouse gas and pollution reductions and promote economic development through private investments, but do so without driving fuel prices.

The data shows no correlation between retail gasoline prices and credit prices, even while the existing programs have exceeded their carbon intensity targets due to the market-based policy design.

Based on the demonstrated success in other states, the Coalition is in strong support of SB 2999.



March 2, 2026

**TESTIMONY ON SB 2999
RELATING TO A CLEAN FUEL STANDARD**

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Monday, March 2 at 10:00 a.m.
State Capitol, Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee,

Thank you for this opportunity to submit written testimony offering **comments** on SB 2999, Relating to a Clean Fuel Standard.

My name is Eric Wright and I serve as President of Par Hawaii. Par Hawaii is the largest local supplier of fuels, including various grades of utility fuels, as well as diesel, jet fuel, gasoline and propane.

SB 2999 would require the Hawaii State Energy Office (HSEO) to adopt rules governing a clean fuel standard for gasoline and diesel in the State. The bill would be similar to policies in West Coast jurisdictions, including California, Washington, and Oregon.

We recognize the importance of charting a clean energy future for Hawaii. As the local producer of fuels for Hawaii's consumers, we are committed to a part of this future by investing over \$100 million to develop Hawaii's largest liquid renewable fuels manufacturing facility at its Kapolei refinery.

Par Hawaii currently employs more than 630 employees statewide, including those at our Kapolei refinery who are spearheading the production of renewable fuels. It is important that a clean fuel standard not create unintended consequences that result in job losses in Hawaii. Therefore, we recommend the bill be amended to add a provision that the Department of Transportation adopt rules to ensure that local production of fuels are not disadvantaged relative to imported fuels.

We also note the following with regard to a clean fuel standard for Hawaii:

1. Implementing and administering a clean fuel standard (CFS) is a significant undertaking. It is important that a broad range of stakeholders are consulted to avoid unintended consequences of this legislation. For example, a rise in gas prices could disproportionately impact working families and small businesses,



increase transportation and goods costs, and place additional financial strain on rural and neighbor island communities with limited alternatives.

2. Hawaii's energy landscape is significantly different than that of mainland states. We have much higher demands for aviation fuel and liquid fuels for power generation. It is important that a Hawaii CFS take into account the unique needs of our state.
3. The cost to produce renewable fuels for transportation is well above that of fossil fuels. While there are Federal programs in place to partially bridge the gap, state level incentives are also required to make renewable fuels competitive with fossil fuels. We believe that a clean fuel standard should be paired with an expansion of the Hawaii renewable fuels production tax credit (HRS 235-110.32). This is particularly important because it can take years for the CFS credit market to develop to the point where it serves as an effective long-term incentive for renewable fuels.

We believe it is possible to produce significant amounts of renewable fuel here in Hawaii, and in a way that supports the local agriculture sector. Par Hawaii has partnered with Pono Pacific, a land management and conservation company, to develop locally grown, oil-yielding crops that will contribute to Hawaii's clean energy future.

In summary, we believe it is important to proceed cautiously and thoughtfully on a Hawaii CFS. We look forward to participating in this dialogue.

Thank you for allowing Par Hawaii the opportunity to present these comments for the Committee's consideration.

Senate Committee on Ways & Means
Sen. Donovan M. Dela Cruz, Chair
Sen. Sharon Y. Moriwaki, Vice Chair

March 2, 2026
10:00 am
Room 211

Thank you for the opportunity to submit testimony in **strong support** of **SB 2999**. My name is Cristina Cornejo and I am the Sr. 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. Similar CFS programs have been implemented in California, Oregon, Washington, and Canada. Most recently, New Mexico enacted a CFS in March 2024 that will begin later this year. In addition, there are currently more than 10 additional states considering CFS policies, due to their effectiveness.

SB 2999 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 California 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 SB 2999 is that it utilizes an independent third-party, 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-wheel basis and considers the full life cycle of a fuel to determine its carbon intensity (CI) score. This ensures that all fuels are scored on an equal playing field, and the winners are those fuels with the lowest possible carbon intensity score. It incentivizes cleaner fuels while letting technologies compete.

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. SB 2999 is a significant piece of the decarbonization puzzle and we at Neste are proud to support this pivotal policy.

Cristina Cornejo, Sr. Public Affairs Manager, Neste

Phone: (361) 701-9922

Email: crisrina.cornejo@neste.com

Neste Background

Neste (NESTE, Nasdaq Helsinki) creates solutions for mitigating climate change and accelerating a shift to a circular economy. The company is the world's leading producer of sustainable aviation fuel (SAF) and renewable diesel, enabling its customers to reduce their greenhouse gas emissions. Neste refines waste, residues and other renewable raw materials to high-quality renewable fuels at its refineries located on three continents. The company's annual renewable fuels production capacity will be increased to 6.8 million tons in 2027.

Neste has high standards for sustainability, and the company has consistently been recognized by several leading sustainability indices.



Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

March 2, 2026
10:00AM
Conference Room 211

Aloha Chair Dela Cruz and Vice Chair Moriwaki:

On behalf of Clean Energy, I would like to express **strong support for SB 2999** which would require the Department of Transportation to adopt rules governing a clean fuel standard for alternative fuels in the state of Hawaii.

Our company was a foundation stakeholder since a CFS was conceived in the respective California, Oregon, New Mexico 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-nine 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.

As we have seen in California, this approach will not significantly raise fuel prices. Recent analyses show that retail fossil fuel prices are strongly influenced by many factors (e.g., global events, holiday weekends, seasonal fluctuations, refinery disruptions and decisions about production that affect supply, refinery pricing decisions, seasonal fuel blends, and taxes) and fossil fuel producer pricing strategies are complex, reflecting local and regional market conditions. **As the California Air Resources Board has noted: "The reality is that the actual cost pass-through from LCFS to retail gasoline or diesel prices is uncertain, that there is no correlation between historical LCFS credit prices and gasoline prices, and that the LCFS is not a major driver of overall retail fuel prices in California."**

The CFS is a cost-effective 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 fourth-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 SB 2999.**

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Kenny", with a long horizontal flourish extending to the right.

Ryan Kenny
Policy Director – Western U.S.
Clean Energy

SB-2999

Submitted on: 2/27/2026 7:47:50 PM

Testimony for WAM on 3/2/2026 10:00:00 AM

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

Comments:

I, Johnnie-Mae L. Perry, Support

2999 SB RELATING TO A CLEAN FUEL STANDARD.



Senate Committee on Ways and Means

Senator Donovan Delacruz, Chair

Senator Sharon Moriwaki, Vice Chair

March 2, 2026

10:00 am

Conference Room 211

Pump Cleaner Fuels Hawai'i is grateful for the opportunity to express strong support for SB2999 to implement a HI Clean Fuel Standard (CFS). The CFS is a strong, reliable, and proven policy mechanism that addresses fuel emissions while enhancing energy security, resilience, and economic prosperity. SB2999 represents a pragmatic, actionable plan to decouple emissions from economic growth and feasibly transition Hawai'i to a renewable economy.

Hawai'i's dependence on the transportation sector underscores the critical importance of prioritizing the industry's economic output and long-term resilience. With current reliance on imports to supply fuels, a CFS will reduce Hawai'i's vulnerability to supply chain disruptions, geopolitical uncertainty, and volatile global fuel prices. By slowly requiring reductions in the lifecycle emissions of transportation fuels over time, SB 2999 offers a flexible approach that allows market participants to utilize the most cost-effective strategies to address greenhouse gas emissions.

Clean Fuel Standard-like programs in California, Washington, Oregon, and throughout Canada have created markets where consumers are protected, economic growth is strong, and emissions are declining year over year. States with these policies have benefited from the deployment of electric charging infrastructure, private investment, job creation and protection, and significant public health benefits through reduced air pollution. Hawai'i has the opportunity to replicate these benefits through the passage and implementation of this program.

SB2999 aligns with Hawai'i's climate and economic goals and utilizes a private market approach rather than a mandate or a tax. For these reasons, I respectfully urge the Committee to pass SB2999.

Sincerely,

Liat Carlyle

To: Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Committee on Ways and Means

From: Veronica Moore, Individual Citizen

Date: March 1, 2026

RE: Senate Bill 2999
Measure Title: RELATING TO A CLEAN FUEL STANDARD.
Report Title: Clean Fuel Standard; Alternative Fuels; Rules; Department of
Transportation

To All Concerned,

My name is Veronica Moore and I support Senate Bill 2999. Thank you for your consideration.

Sincerely,

Veronica M. Moore



Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Monday, March 2, 2026
10:00AM, Conference Room 211

Mar 1, 2026

Re: Support for SB 2999, Relating to Clean Fuel Standard

To Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee,

As a manufacturer of electric vehicles (“EVs”) and EV charging infrastructure, **Rivian, LLC, (“Rivian”) is pleased to express its support for SB 2999.** A clean fuel standard is a proven policy that can catalyze growth in the EV sector without burdening the state budget.

The signature strength of the clean fuels standard (“CFS”) proposed by SB 2999 is its portfolio-based approach to expanding the use of a variety of clean fuels in Hawai‘i. This includes electricity. Clean fuels policies create new markets that marshall private capital for accelerated investment in the provision and use of clean fuels like electricity. Crucially, this means that the state can enjoy the benefits of a surge of investment in clean transportation fuel use—including job creation and growth—without requiring substantial new budget commitments and annual appropriations.

For the EV industry, the benefits of a clean fuels standard are many.

- A CFS harnesses market forces, creating powerful economic incentives for the use of a portfolio of clean fuels, including electricity.
- The use of electricity as a transportation fuel can be particularly beneficial under a CFS. In California, for example, charging providers have created significant monetary value under the state’s low carbon fuel standard, a powerful “pull” factor encouraging further investment in building out the charging networks that creates that value.¹
- With the appropriate policy frameworks in place, the policy could also support retail consumer purchases of EVs and fleet-switching by both light- and

¹ California Air Resources Board, *California Low Carbon Fuel Standard Workshop*, April 10, 2024, www.arb.ca.gov/sites/default/files/2024-04/LCFS%20April%20Workshop%20Slides.pdf.



medium-/heavy-duty fleet operators—complementing the state’s ambitions to grow the EV market in Hawai’i.

Put simply, a well designed and implemented clean fuels policy can improve the economics of our business and help us achieve scale. The EV industry is eager to invest and grow our market in Hawai’i. To that end, while we believe the bill can be even stronger with the benefit of some select amendments, Rivian expresses its support for SB 2999.

Thank you for the opportunity to testify in support of this measure.

Sincerely,

Abigail Ramsden

About Rivian

Founded in 2009, Rivian is an independent U.S. company. Rivian manufactures all of its vehicles in the United States. With over 14,000 employees across the globe, Rivian’s expertise lies primarily in engineering, software development, and manufacturing.

In addition to our vehicles, Rivian is a manufacturer of direct current fast chargers (DCFC) and those chargers in our Rivian Adventure Network. We provide service to Rivian drivers in Hawai’i from our service center location on the island of O’ahu, creating local jobs and investment.