

## **Maui biodiesel plant planned** **The proposed \$61 million facility would** **generate energy from replenishable sources**

By Wendy Osher  
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KAHULUI » A proposed \$61 million refinery on Maui would produce renewable biodiesel fuels for Maui Electric Co.'s largest power plant, officials said yesterday.

BlueEarth Maui Biodiesel LLC hopes to start operating a refinery in 2009 with imported oils -- probably palm oil, company spokesman Ray Sweeney said yesterday.

But it could ultimately produce biodiesel fuels made from Hawaii-grown oil products that could include coconut or kukui nuts.

The facility would generate 40 million gallons of biodiesel in its first year, and up to 120 million gallons per year by 2011, according to Landis Maez and Robert Wellington, managing partners of BlueEarth Biofuels LLC.



The Texas- and Arizona-based company would partner with an as-yet-unnamed subsidiary of Hawaiian Electric Co. to form BlueEarth Maui Biodiesel LLC, HECO spokesman Peter Rosegg said.

The company expects to employ 40 people in "high-paying, high-tech jobs" in the first phase of the project, and up to 100 at completion, Maez said.

An additional 150 construction jobs are anticipated in the first phase of plant construction and expansions, he said.

Although the Public Utilities Commission will not regulate the new HECO subsidiary, it must approve the lease agreement and fuel sales agreement between MECO and Blue Earth Maui Biodiesel, Rosegg said.

"This is a first step toward allowing Maalaea to generate all of its electricity without fossil fuels," Maui Electric Co. President Ed Reinhardt said.

"At first there may be little or no savings for Maui rate-bearers," Reinhardt said. "We believe that by creating a stable fuel source, we will eventually see a rate change accordingly."

The Maalaea power plant produces 215 megawatts of power, about 85 percent of the island's power. The entire island used about 75 million barrels of diesel fuel in 2005, Rosegg said. "There's a need to diversify the county's economy through sustainable technologies and agriculture -- this project fits both," Maui Mayor Charmaine Tavares said.

The proposed plant will be built on 15 acres of MECO land that is now cane fields, across Pulehu Road from the Central Maui Landfill.

Palm oil from the Pacific Rim and South America would be the starting fuel stock, Sweeney said.

In the future, the partners hope Hawaii farmers will grow crops that could be refined at the plant. Possible crops include palm oil, jatropha, kukui nut and coconut.

Some oil palms can produce three to four crops a year, said HECO Chief Technology Officer Karl Stahlkopf.

Any HECO profits will be placed in a Hawaii Biofuels Public Trust to fund the development of Hawaii's bio-energy infrastructure. "We are willing to give up the profits from this bold venture because in the long run it is good for our company and good for Hawaii to promote clean, green, local renewable energy here," said HECO president and CEO Michael May.

The venture is seeking special purpose revenue bonds from the state Legislature. The bonds would use the state's good credit to get better loan terms for the company.