

**TESTIMONY IN OPPOSITION OF SB 1718/HB 1912**

**To:** House Representatives Marcus R. Oshiro, Marilyn B. Lee, Mele Carroll, Pono Chong, Della Au Belatti, Tom Brower, Faye P. Hanohano, Sharon E. Har, Michael Y. Magaoay, Joey Manahan, John Mizuno, Bob Nakasone, Karl Rhoads, Roland D. Sagum, James Kunane Tokioka, Karen Leinani Awana, Colleen Rose Meyer, Gene Ward

**From:** Bill Akiona – Representing: Lahui O Ka 'Aina (LOKA), a USDA Bio-Diesel Producers' Co-op and Ke Ola 'Aina (KOA), a Nonprofit Native Hawaiian Ahupua'a Cultural Restoration Program.

**Re:** SB 1718/HB 1912, Scheduled to be heard for decision-making Friday, March 30, 2007 at 3:00 p.m., Conference Room 308

**COMMITTEE ON FINANCE**

Rep. Marcus R, Oshiro, Chair

Rep. Marilyn B. Lee, Vice Chair

**SB 1718/HB 1912 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ELECTRICAL GENERATION ON THE ISLAND OF MAUI.**

Authorizes special purpose revenue bonds to BlueEarth Maui Biodiesel, LLC, for construction of a biodiesel refinery on Maui.

Whereas, the following bullet points are in **total opposition** of this bill's passage:

- BlueEarth Biofuels LLC (Nevada) was registered, March 6, 2007, with the Department of Commerce and Consumer Affairs, after SB 1718 was introduced. This is extraordinarily inappropriate, due to the fact that BlueEarth was not a registered business entity; and should not have been recognized as such by the State of Hawaii or the Hawaii State Legislature, at the time of this bill's introduction – rendering such a bill null and void.
- HECO and BlueEarth's outlined plans for a mega-biodiesel refinery, obviously shifts Hawaii's dependency on fossil fuels to a destructive imported fuel – called Palm Oil.
- Palm oil is responsible for over 25,500 square miles of rainforest destruction in Malaysia and Indonesia, which is 2.5-times the size of the State of Hawaii and expected to double in the 10-years. Palm oil monoculture plantations are presently threatening the Sumatran tigers, rhinoceros, orangutans and Asian elephants with extinction - within the next 12-years.
- Hawaii's dependency on palm oil, as a biofuel, will only encourage more deforestation, wholesale loss of endangered species' habitat and the greedily driven destruction and stealing of poor indigenous peoples' lands and natural resources of several Pacific Rim

Countries. Thus, Hawaii will then be recognized as a "Tourist Destination" that financially supports **Environmental Terrorism** in other developing countries.

- Therefore, throughout the production of palm oil biodiesel – with all of its crop production, shipping, trucking and refining into a fuel – makes it no less a carbon-footprint on global warming, than our use of petroleum fuels. In fact, at a U.N. Climate Change Conference in Nairobi, it showed that Indonesia is the world's third-biggest carbon emitter, behind the U.S. and China, when emissions from fires and other palm oil factors are considered.
- Why are we importing 120,000,000 gallons of palm oil to produce so much biodiesel? Act 95, SLH 2004, established the Renewable Portfolio Standard, in which 10% of HECO's electricity sales will come from renewable energy and/or biofuels by 2010; 15% by 2015 and 20% in 2020. Therefore, ten percent of 72 million gallons, used by MECO in 2005, is only 7.2 million gallons of biodiesel needed in 2010 for a B10 blend; and 10.8 million gallons by the year 2015. Then why is 12 times that really needed at this time?
- To produce 120 million gallons of palm oil biodiesel, BlueEarth would need more than 160,000 acres of oil palms, planted on prime Maui agricultural lands for at least 10-years, before anyone can harvest such amounts. For other oil crops, one would need more than 350,000 acres. Thus, irrigation infrastructure and water availability will be major issues for such a tremendous crop production.
- What's more, the primary role of a refinery-processor is to control the cost and price of feedstock throughput. No Maui grower, landowner or entrepreneur, could compete with a low-cost, foreign-subsidized feedstock producer. Hawaii's land, labor and capital are too costly to have someone else (like BlueEarth) dictating lower prices.
- This BlueEarth project has no real plan in becoming a sustainable project for Hawaii. BlueEarth's plan for this mega-biodiesel refinery is totally unsustainable, excessively inflated and leaves Hawaii dependent upon **another foreign source of liquid fuel (Palm oil)** that is far more detrimental for Hawaii and the World, than our dependence upon petroleum fuels, at this time.