



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

Tuesday, March 20, 2007
2:45 p.m.
State Capitol, Conference Room 414

in consideration of

HB 1912
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST BIODIESEL PROJECTS FOR ELECTRICAL GENERATION ON THE ISLAND
OF MAUI.

Chair Menor, Vice Chair Hooser, and members of the Senate
Committee on Energy and Environment.

The Department of Business, Economic Development and Tourism
(DBEDT) supports HB 1912 that would provide for the issuance and
refunding of special purpose revenue bonds to assist BlueEarth
Maui Biodiesel, LLC, to plan, design, and construct a biodiesel
refinery on Maui. The biodiesel produced would be used primarily
for electricity production facilities. We defer to the
Department of Budget and Finance as to any administrative or
financial implications related to bond issuance.

DBEDT appreciates that this measure provides support for the
growth of Hawaii's bioenergy industry to meet the goals of the

Standard. BlueEarth Maui Biodiesel, LLC and the Hawaiian Electric Company (HECO) have recently announced a joint venture in which the utility's or its subsidiary's share of profits would fund a Biofuels Public Trust. Moneys from the trust would be used for the development of bioenergy crops in Hawaii. Based on this announcement, the joint venture should accelerate the state's transition to locally produced feedstocks although imported plant-based oils may be used initially.

A bioenergy industry based on locally grown crops will generate economic benefits including the creation of jobs to grow, harvest, transport, and process the crops. By-product animal feed could displace imported feed, and support the expansion of the local livestock sector.

Thank you for the opportunity to offer these comments.