

March 27, 2007

Senate Ways and Means Committee
Chair Senator Baker
Vice Chair Senator Shan Tsutsui

Regarding HB 1912, SB1

Senators.

Given the shakey nature of the BlueEarth business, brand new, unknown, no capitalization, no track record, its principals not even clearly identified, and given what a mistake in using state borrowing for biofuels could do to subsequent opportunities for supporting renewable energy, let me urge you to please kill this bill. For all we know, HECO may own Blue Earth, giving it sole control of biofuel income and a lock on biofuel available for Maui and other islands.

If BlueEarth has a substantial business proposal, a private lender, bank, or venture capitalist will step forward to capitalize their venture. There is no way that the taxpayers of Hawaii should rush into acting as the venture capitalists of last resort for untried energy fuel businesses.

Moreover, the prospect of the State of Hawaii using its borrowing capacity to launch a venture that may use palm oil -- derived from the devastation of forests in South East Asia -- means those approving such a measure would be exporting disaster to Indonesia and Malaysia. This bill will come back to haunt and badly embarrass whoever votes for it.

Finally, if this biodiesel plant were to go into business, it would instantly have a monopoly on the sale of its product on Maui, potentially forcing residents to pay ever higher prices for renewable fuel.

Again, please act prudently and kill HB 1912 SD1.

Thank you for the opportunity to testify.

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