

Testimony before the  
Senate Committee on  
Energy and Environment

HB 1912 - Relating to the Issuance of Special Purpose  
Revenue Bonds for Electrical Generation on the Island of Maui

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

By Ed Reinhardt  
President  
Maui Electric Company, Ltd.

Chair Menor, Vice Chair Hooser and Members of the Committee:

Maui Electric Company, its parent Hawaiian Electric Company, and sister company Hawaii Electric Light Company, support the passage of HB 1912. This bill seeks authorization for the Department of Budget and Finance to issue up to \$59 million in special purpose revenue bonds on behalf of BlueEarth Maui Biodiesel, LLC, which proposes to build a biodiesel production plant on the island of Maui.

Our companies support efforts to reduce Hawaii's dependence on fossil fuels for both transportation and electricity generation. Biofuels such as biodiesel can be used to provide valuable "firm" (24-hour-available) renewable energy by replacing conventional diesel fuel with renewable biodiesel in new and existing diesel-powered generating units. And by increasing the availability of locally grown biofuels, Hawaii not only increases its energy security and obtains the greenhouse gas mitigation benefits of increased agricultural use of island lands; we also help our local economy by encouraging a viable agricultural industry and keeping more of our expenditures for energy here at home.

Our utilities are very committed to using biofuels such as biodiesel and ethanol in our power generating facilities. On Oahu, Hawaiian Electric Company has pledged to use 100% biofuels in the proposed new combustion turbine generating unit planned for Campbell Industrial Park. HECO has issued a formal Request for Proposals to secure a firm contract from a biofuels supplier for the planned unit. We believe that biofuels are a key contributor to the portfolio of renewable energy resources needed to help our state decrease our dependence on imported oil.

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