

OUR BUSINESS IS MAUI BUSINESS

March 29, 2007

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair, &
Members of the Committee
Committee on Finance
Testimony for hearing on 3/30/07 at 3:00pm
in Conference Room 308
Via Fax: 1-800-586-6659

RE: SB 1718, HD1

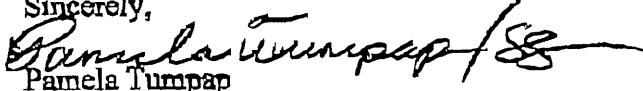
On behalf of the Maui Chamber of Commerce and its 900+ members, we are writing in support of the Maui BioDiesel refinery and also support SB1718 HD1 and HB1912 SD1 for the issuance of special purpose revenue bonds for electrical generation on the island of Maui. The special purpose revenue bonds will help the company bring down their interest rates, allowing them to pass on that savings to the consumers. Also, because this plant will use biofuels, it won't be affected by changes in the price of regular diesel fuel. Therefore if diesel prices go up, Maui ratepayers' prices will not necessarily go up with them.

In addition, after the jobs created by construction, the new plant will create more than 40 high-paying, technical jobs when it opens in 2009. That number would grow to a total of over 80 such jobs by 2011 if expansion proceeds as planned. Further, the plant can help stimulate diversification of Maui's agriculture industry by becoming a long-term buyer of locally-grown feedstocks.

Another benefit is that it will help reduce Hawaii's dependence on imported fossil fuels. The state has a year 2020 20% renewable energy requirement, and with this Maui BioDiesel refinery, it will allow Maui Electric to go far beyond the State's requirement and be approximately 80% renewable energy. Hawaiian Electric Company will not be making a profit from this project, as all of the utility's profits from the project will go into a Biofuels Public Trust created to support biofuel research.

We therefore urge your support of the Maui BioDiesel refinery and the issuance of special purpose revenue bonds for electrical generation on the island of Maui.

Sincerely,


Pamela Tumpap
President