



## MAUI TOMORROW

Ron  
Sturtz  
*President*

March 19, 2007

Lucienne  
de Naie  
*Senior Vice  
President*

Aloha Honorable Representatives:

Judith  
Michaels  
*Executive Vice  
President*

**The Maui Tomorrow Board of Directors, by unanimous vote, strongly oppose HB 1912, to issue special revenue bonds for constructing a huge biodiesel refinery on Maui.**

Richard  
Michaels  
*Secretary*

Many Mauians have researched the BlueEarth Maui Biodiesel/ Maui Electric Company (MECO) proposal since it was first announced less than two months ago. By the time we began to understand how bad the proposal really is, legislation had already garnered initial approvals.

Vicki  
Schulte  
*Treasurer*

We ask you to please reconsider those early approvals, and to hold off any further consideration until dozens of questions relevant to a project of this scale can be effectively answered.

Ed  
Lindsey

Mark  
Sheehan

The project would initially import palm oil to produce 40 million gallons of biofuel by 2009, and 120 million gallons by 2011. But, palm oil production in Malaysia, Borneo, Indonesia, Thailand, and elsewhere has been one of the great ecological disasters of our time.

Lance  
Holter

Michael  
Howden

More than 60 million acres of biodiverse rainforest has been slashed and burned to make way for palm oil plantations. Habitat continues to shrink, endangering orangutans, the Asian elephant, Sumatran tiger and rhinoceros, and dozens of other creatures. Tens of thousands of hectares more of rainforest and its inhabitants may succumb to continuing worldwide pressures, particularly from China, to substitute palm oil biodiesel for petroleum diesel.

Robin  
Knox

A German utility company recently scrapped plans to convert a power plant to run on biodiesel after questions about being able to secure enough palm oil from "sustainable" sources. A similar venture from a Dutch company also resulted in abandoning any use of palm oil.

BlueEarth recently stated that they would pursue obtaining soybean and canola oils if "sustainable" palm oil cannot be obtained. This equation puts a huge pressure on worldwide agricultural practices to pit production for food against that of electric generation or transportation fuels. It also serves to illustrate that the principles of this proposal just don't know what their source would be, or what it may cost.

The huge scale of the proposal could actually harm, rather than encourage local biofuel crop production, which could never compete with oil prices purchased from countries with cheap labor. Additionally, the amount of lands necessary to produce such a huge amount of feedstock exceeds the available acreage on Maui.

Is the goal to refine enough biodiesel to supply HECO's proposed 110 megawatt generation facility on Oahu? The MECO power generating facilities used only 72 million gallons of diesel fuel in all of 2005. Building a refinery capable of producing nearly 50 million in excess of that amount raises serious questions, including capacity issues for Kahului Harbor.

The bill, as it is written, also contains a significant flaw. A stated benefit would be, "Stimulating locally produced ethanol for use as a renewable component in the transesterification of vegetable oils into biodiesel." However, ethanol is not used in the biodiesel refining process! This is an early indication that much more real information is needed about what is really being proposed, not just promises that everything will be OK.

Why was BlueEarth Biodiesel selected, with no track record in Hawaii, if anywhere? Shouldn't fuel purchases require proper procurement process and Public Utility Commission approval? Does building a refinery on the Maui Waena generation site meet the intent and the conditions imposed by the Land Use Condition? Should a refinery be located right next to a generation facility, in case of an accident?

There are claims of benefits to Maui's economy in building and operating this facility. But, the BlueEarth website states that the contractors would be mainland companies, and profits would leave the island, while a few locals worked to build and operate a non-sustainable mega-refinery.

We should be very cautious of confusing "renewable" energy sources with "sustainable" production. Maui would do much better to follow a path of small scale efforts for local energy generation and conservation, and to use liquid fuels for transportation needs, not fueling electrical plants. While limited local biofuel crop production may be beneficial, use of agricultural lands to offset food imports is a more vital need.

Please resist the temptation to act with haste to fulfill a request that has the glitzy selling point of reducing fossil fuel consumption and emissions. The potential trade-offs appear to be far too great. Please act with caution to assure we have specific answers to all the vital questions before giving the go-ahead to such a large, ill-conceived venture.

Mahalo for your consideration of our concerns.

Lance Holter  
Board Member

