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Testimony of
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before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, March 22, 2022
9:30 AM
State Capitol, Conference Room 325 & Videoconference

**SUPPORT
SB 2865, SD2
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST DIBSHAWAII LLC.**

Chair Lowen, Vice Chair Marten, and Members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 2865, SD2, which authorizes the issuance of special purpose revenue bonds to assist DIBSHawaii LLC in the construction of a net-zero carbon capture storage utilization platform that will recover, scrub, and liquify carbon dioxide emissions into food grade liquid carbon dioxide. This bill is a companion to HB 2203, which this committee heard and approved in February.

HSEO supports the use of Special Purpose Revenue Bonds for this purpose and believes that the project is in the public interest.¹

Due to global supply chain issues as a result of the pandemic, Hawai'i is experiencing a carbon dioxide shortage for economic activity, much like the rest of the nation, but more acutely as there is only one facility in Hawai'i that produces carbon dioxide. Sourcing it from the continental US is more difficult due to the shortage and more costly due to the transportation distances. Carbon dioxide in Hawai'i has many commercial uses, including those listed in the bill as well as for carbonated beverages,

¹ Special Purpose Revenue Bonds provide loan financing to assist qualifying capital improvement projects in the public interest. The bonds do not constitute a general obligation of the State and are not State monies.

agricultural technology, water treatment, waterless surface cleaning, dry ice for maintaining freshness of cold items during transport, and others.

It is HSEO's understanding that DIBS Hawai'i is a native Hawaiian-owned company and is planning to build a net-zero carbon capture storage utilization platform. This is consistent with Hawai'i's interests, as it captures carbon dioxide that would otherwise be released into the atmosphere; uses already-available rather than imported material for local applications; and supports a locally-owned business in promoting import substitution and economic diversification.

Capturing emissions from the atmosphere for economic activity and long-term sequestration is an important feature in Hawai'i's clean energy, decarbonized economy transition and statutory commitment to the Paris Agreement. Furthermore, establishing this capability in Hawai'i helps build the knowledge and expertise for Hawai'i to source carbon dioxide using renewable resources in the future as fossil energy is phased out and Hawai'i transitions to a net-negative, resilient clean energy economy.

HSEO defers to the appropriate agency for the implementation and fiscal impacts of this bill.

Thank you for the opportunity to testify.