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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & TECHNOLOGY

Wednesday, February 12, 2025
10:00 AM
State Capitol, Conference Room 423 and Videoconference

Providing Comments on
HB 976, HD1

RELATING TO RENEWABLE FUEL.

Chair Ilagan, Vice Chair Hussey, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on HB 976, HD1, that establishes the sustainable aviation fuel import tax credit and increases the renewable fuels production tax credit amount while specifying thresholds and restructuring various provisions.

Research conducted by the Hawai'i State Energy Office shows that our state needs more than just solar and wind energy. While these are valuable renewable sources, we must also invest in other clean energy technologies that produce low or zero carbon emissions to meet Hawai'i's complete energy needs.

The current bill proposes additional tax credits for sustainable aviation fuel (SAF) imports and production. The proposed inclusion of SAF is appropriate and would likely be economically sustainable if enacted at the current level of credits. HSEO notes that the proposed structure to increase the renewable fuels tax credit amounts and eliminate the cap must be evaluated on its impact to the state budget, for which HSEO defers to the appropriate fiscal agencies. Additionally, consistent methods for measuring energy production and emissions reductions across different fuel types are needed to manage and verify the credit program properly.

HSEO appreciates how the HD1 maintains the lifecycle emissions requirement and adds a specific 50% emissions reduction threshold this is aligned with safeguards identified in HSEO's 2023 Decarbonization Pathways Report.¹ Such safeguards are necessary to ensure a balanced approach to supporting renewable fuel development in Hawai'i consistent with the renewable portfolio standard and decarbonization statutes.

Thank you for the opportunity to testify.

¹ Hawai'i State Energy Office (2023). Hawai'i Pathways to Decarbonization Report to the 2024 Hawai'i State Legislature Act 238 (SLH 2022). Available at: https://energy.hawaii.gov/wp-content/uploads/2022/10/Act-238_HSEO_Decarbonization_FinalReport_2023.pdf page 12