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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
**SENATE COMMITTEES ON
ENERGY AND INTERGOVERNMENTAL AFFAIRS
AND
AGRICULTURE AND ENVIRONMENT**

Wednesday, January 29, 2025
1:00 PM
State Capitol, Conference Room 224 and Videoconference

Providing Comments on
SB 995

RELATING TO RENEWABLE FUEL.

Chairs Wakai and Gabbard, Vice Chairs Chang and Richards, and Members of the Committees, the Hawai'i State Energy Office (HSEO) offers comments on SB 995, which 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 could have a disproportionate impact on the state budget and might undermine support for the overall agenda for renewable energy tax credits. Additionally, consistent

methods for measuring energy production and emissions reductions across different fuel types are needed to manage and verify the credit program properly.

It would be inappropriate to remove or amend the requirement that the tax credit be claimed for fuels with lifecycle emissions below fossil fuels without a requirement for a renewable fuel to meet an established or diminishing lifecycle carbon intensity threshold or other 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