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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday March 4, 2026
2:00 PM
State Capitol, Conference Room 329 and Videoconference

Providing Comments on
HB 2423, HD2

RELATING TO BIODIESEL.

Chair Matayoshi, Vice Chair Grandinetti, and Members of the Committee, the Hawai'i State Energy Office (HSEO) is providing comments on HB 2423, HD2, that requires the Director of Business, Economic Development, and Tourism to adopt rules to require that diesel fuel sold in the State for use in on-highway diesel-powered motor vehicles contains no less than five percent biodiesel by volume.

HSEO recognizes that this measure seeks to reduce reliance on fossil fuels and advance Hawai'i's statutory climate and clean energy goals, including the State's commitment to achieving a net-negative greenhouse gas economy and reducing petroleum consumption in the transportation sector. Diversifying the liquid fuels pool and supporting lower-carbon alternatives are important components of Hawai'i's broader decarbonization strategy. At the same time, HSEO has concerns related to implementation costs, long-term supply certainty, and overall logistics in an isolated and highly import-dependent fuel market.

HSEO notes that the Legislature repealed a 10% ethanol blending mandate in 2015, which had originally been established in 2006. The repeal was driven in part by higher-than-anticipated costs, infrastructure challenges, and limited supplier competition associated with importing ethanol into Hawai'i. That experience underscores the

importance of carefully evaluating how fuel-specific blending mandates function within Hawai'i's unique market conditions.

HSEO acknowledges that a 5% biodiesel requirement is materially lower than the prior ethanol mandate and that biodiesel has an established presence in certain fleet applications. However, before establishing a statewide volume requirement, it is important to assess projected cost impacts, distribution system readiness, fuel quality management, and the ability of suppliers to provide consistent volumes without disrupting existing supply chains.

Volume requirements should be evaluated in the context of Hawai'i's existing diesel market, refinery and terminal capabilities, and retail distribution systems. A comprehensive analysis of potential price impacts, compliance timelines, and interactions with federal Renewable Fuel Standard obligations would help ensure that the mandate achieves its intended environmental benefits without unintended economic consequences.

HSEO strongly supports the continued development of locally grown and locally produced biodiesel and renewable fuels. Hawai'i's local producers play an important role in advancing energy security, supporting agricultural diversification, and creating economic opportunity within the State.

For those reasons, HSEO generally advises against establishing fuel-specific mandates at this time and prefers fuel selection by criteria such as cost, carbon intensity, and technical readiness when aligned with Hawai'i's renewable portfolio and decarbonization laws.

Thank you for the opportunity to testify.