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February 18, 2026

TESTIMONY ON HB 1695 HD1, RELATING TO RENEWABLE FUEL

SUPPORT

Representative Nicole E. Lowen, Chair
Representative Amy Perruso, Vice Chair
Committee on Energy & Environmental Protection
Hearing: Feb. 19, 2026, 9:45am, Conf Room 325

Aloha Chair Lowen, Vice Chair Perruso and Members of the Committee,

HB1695 HD1 acknowledges the Navahine lawsuit and the climate action settlement promulgated by our very concerned youth. Pacific Biodiesel **supports** HB 1695 HD1, which updates the Renewable Fuel Production Tax Credit previously established by the State Legislature and supports a very real, sustainable ongoing solution.

Biodiesel is an energy-dense domestically manufactured renewable fuel source that provides local family-wage earning jobs, promotes energy security in Hawai'i, supports USA national security and benefits the local circular economy. Biodiesel has one of lowest carbon footprints of any fuel, reducing greenhouse gas emissions by 86% compared to fossil diesel.

A recent USC study on the Lifecycle Assessment of an electric bus compared with a biodiesel bus in Hawai'i showed a substantial reduction in environmental impact. Biodiesel demonstrated:

48% less energy used

89% less water consumed

41% fewer GHG emissions

7% lower total cost of ownership

<https://incose.onlinelibrary.wiley.com/doi/10.1002/iis2.70102>

This production tax credit will support continued expansion of biodiesel production for our state – more urgent now than ever. It also assures the continued expansion of our local biodiesel crop production which addresses both fuel and food security for Hawai'i.

Pacific Biodiesel is acutely aware of the important role our biodiesel production plays in supporting military readiness and energy resilience in our state. Given Hawai'i's strategic location, our biodiesel ensures a reliable, readily available local supply of biofuel at key Department of Defense locations in Hawai'i and the Indo-Pacific region to help protect United States national security and military preparedness and further reduce reliance on imported crude oil, especially from dangerous sources like Russia-backed Libya.

State support has helped Pacific Biodiesel, now in our 30th year, exceed our original 2012 nameplate capacity of 5.5 million gallon per year. Current biodiesel production in Hawai'i is 6 million gallons annually. Biodiesel produced from Hawai'i-sourced feedstock can feasibly scale to 16 million gallons annually by 2040 – *this total vertical integration to locally grow and produce biodiesel epitomizes energy security!*

As Hawai'i embraces electric vehicles, it is important to recognize that a large portion of our transportation infrastructure must be given the choice to go renewable by using locally produced biofuel in order not to burden local businesses as well as citizens with the unjust added cost of buying new vehicles. Biodiesel can bring immediate greenhouse gas emission reductions for the hard-to-electrify sectors such as large trucks, buses, and boats where new electric vehicle technology is extremely expensive, not widely available and lacks the same payload as diesel engines.

For power generation, biodiesel is a critical component of our State's renewable energy portfolio.

Biodiesel is a 100% renewable fuel that provides a firm renewable source for power generation that is a reliable backup to intermittent renewables like solar and wind that fluctuate in availability. In our electric utilities, fast-start diesel engines — increasingly fueled with clean biodiesel — are enabling higher penetration of intermittent PV and wind assets while maintaining grid stability.

We produce our biodegradable, non-toxic fuel with used cooking oil recycled from Hawai'i's restaurants, keeping that potentially hazardous waste out of local landfills. In addition, our carbon negative regenerative farming operation can also locally produce biodiesel from virgin oils, like sunflower and canola oils. Our model also contributes culinary oils and high-protein meal for livestock feed to the local food system. Pacific Biodiesel's "ag and energy" model today is demonstrating a "net carbon negative" renewable fuel system that's a beneficial circular economy model for Hawaii.

There is no silver bullet for a 100% zero emission future. The further we move towards our goal of 100% renewable, the more critical liquid biofuel sources will become in our State renewable energy portfolio of sustainable solutions. We must continue to support the expansion of local production now to meet our needs later.

Our biggest concern with HB 1695 HD1 at this point is the "Single producer cap" outlined on page 9. We ask that the cap be changed from 75% to 50% to allow for more potential local producers to access this state support. The production tax credit in HB 1695 HD1 gives Pacific Biodiesel the support to increase our investment in local expansion, and with this important change, we would hope to not be overshadowed by larger, out-of-state biodiesel producers.

Mahalo,



Bob King
Founder and President
Pacific Biodiesel