



2050 Main Street, Suite 3B
Wailuku, Hawai'i 96793
(808) 877-3144
www.biodiesel.com

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TESTIMONY ON SB2376, RELATING TO THE RENEWABLE FUELS PRODUCTION TAX CREDIT

SUPPORT

Committee on Agriculture and Environment
Senator Mike Gabbard, Chair
Committee on Energy and Intergovernmental Affairs
Senator Glenn Wakai, Chair
Hearing: Feb. 9, 2026, 3:00pm, Conf Room 224

Aloha Chairs, Vice Chairs and Members of the Committee,

Pacific Biodiesel **supports SB2376**, which updates the Renewable Fuel Production Tax Credit previously established by the State Legislature and supports a very real, sustainable ongoing solution.

We like all aspects of this bill, with the additional clarity on the "separate ten-year credit period" to indicate that entities that previously claimed the credit are eligible for a new ten-year credit period.

This production tax credit will support continued expansion of biodiesel production for our state – more urgent now than ever. It enables 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 our state's strategic location, locally produced biodiesel ensures a reliable, readily available local supply of biofuel at key locations in Hawai'i to help protect United States national security and further reduce reliance on imported crude oil, especially from 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 mgy. Current biodiesel production capacity 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 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.

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 GHG 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>

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.

Pacific Biodiesel produces 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.

Mahalo,



Bob King
Founder and President
Pacific Biodiesel