STAND. COM. REP. NO. 160

Honolulu, Hawaii

MAR 2 2 2007

RE:

H.B. No. 334

H.D. 1

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 334, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SOPOGY INC., IN THE DEVELOPMENT OF RENEWABLE ENERGY,"

begs leave to report as follows:

The purpose of this measure is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Sopogy, Inc. with the planning, design, construction, equipping, and operation of a solar farm power plant at the Natural Energy Laboratory of Hawaii to produce electricity from solar power.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism; Sopogy, Inc.; Hawaii Renewable Energy Alliance; and Hawaii Energy Policy Forum. Comments were submitted by the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that the development of clean electricity from a renewable and abundant resource, the sun, at a price lower than the market price and independent from oil price fluctuations is in the best interest of the public. Sopogy, Inc. specializes in the development, manufacture, and distribution of its proprietary concentrated solar power systems that generate electricity. The construction of a solar farm power plant would

demonstrate how electricity could be produced by using solar power systems.

Your Committee further finds that Sopogy, Inc. is an industrial enterprise, meeting the qualifications for special purpose revenue bond assistance. The special purpose revenue bonds authorized under this measure will provide low interest rate bond financing for the construction of a solar farm power plant.

The intent of your Committee is to authorize the issuance of \$10,000,000 in special purpose revenue bonds to assist Sopogy, Inc. with the planning, design, construction, equipping, and operation of a solar farm power plant, limited to the site of the Natural Energy Laboratory of Hawaii or other suitable sites to produce electricity from solar power.

Your Committee has amended this measure by inserting provisions of S.B. No. 597, S.D. 2, a similar measure that does not reference refunding special purpose revenue bonds for multiproject programs.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 334, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 334, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Energy and Environment,

RON MENOR. Chair

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Energy and Environment ENE

HB 334 HD I ENE, WAM 3/15/67				
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:				
The Recommendation is:				
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313				
Members	Aye	Aye (WR)	Nay	Excused
MENOR, Ron (C)	4			·
HOOSER, Gary L. (VC)				
IHARA, Jr., Les				
KOKUBUN, Russell S.				
TRIMBLE, Gordon				
TOTAL	77			4
Recommendation: Adopted Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes