STAND. COM. REP. NO.688 -10

Honolulu, Hawaii Merch II, 2010

RE: S.B. No. 2544 S.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2544, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST HONOLULU SEAWATER AIR CONDITIONING LLC PROJECTS ON THE ISLAND OF OAHU,"

begs leave to report as follows:

The purpose of this measure is to extend from June 30, 2010, to June 28, 2015, the authorization for the Department of Budget and Finance to issue special purpose revenue bonds to finance the Honolulu Seawater Air Conditioning, LLC, projects on Oahu.

Testimony in support of this measure was submitted by the Hawaii Renewable Energy Alliance and one concerned individual.

Your Committee finds that in 2005, the Legislature authorized up to \$48,000,000 in special purpose revenue bonds to fund the design and construction of a seawater air conditioning district cooling system in downtown Honolulu. The seawater air conditioning district cooling system is a renewable energy project that demonstrates the State's commitment to a sustainable and energy efficient future.

Your Committee further finds that since the time the bonds were authorized, the financial markets became volatile, making sale of the bonds, which are approaching their expiration dates, difficult and costly to the State. Your Committee understands

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that current markets have shown improvement and believes that by extending the time during which the Department of Budget and Finance may issue the special purpose revenue bonds, the State will be able to sell the bonds at a future date when the financial markets recover.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2544, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

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HERMINA MORITA, Chair



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:Committee Referral:Date:SB 2544 SD2EEP, FIN3-9-10				
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit) Image: Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	V			
2. COFFMAN, Denny (VC)	~			
3. CABANILLA, Rida			The state of the state of the state	
4. CHANG, Jerry L.				
4. Charle, Jeny D.				
5. CHONG, Pono				1/
6. HAR, Sharon E.	V			
7. HERKES, Robert N.				V
8. ITO, Ken				
0 LEE Chris				
9. LEE, Chris	Contraction of the			
10. LUKE, Sylvia	\checkmark			
11. SAGUM, Roland D., III				~
12. CHING, Corinne W.L.	~			
13. THIELEN, Cynthia				
TOTAL (13)	8	0	0	5
The recommendation is: Adopted INot Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature: Danny Coffee				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				