



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

Telephone: (808) 586-2355
Fax: (808) 586-2377

Bill No. 2628

Support ☒ Y ☐ N

Date 2/1

Time 2:40

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Type 1 ☒ 2 ☐ WI

Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION
Tuesday February 2, 2010
8:30 AM
State Capitol, Conference Room

in consideration of

HB2628
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST HONOLULU SEAWATER AIR CONDITIONING LLC PROJECTS ON THE
ISLAND OF OAHU.

Chair Morita, Vice Chair Coffman and Members of the House Committee on Energy and Environmental Protection.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 2628. The purpose of HB2628 is to extend the time in which the Department of Budget and Finance may issue Special Purpose Revenue Bonds for the Honolulu Sea Water Air Conditioning (HSWAC) project on Oahu until June 28, 2015. Extending this timeline gives the HSWAC project a greater chance to succeed by giving the project more time to attract investors into the project.

We defer to Budget and Finance on whether the State's bonding capacity can accommodate this extension.

Thank you for the opportunity to offer these comments.

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HAWAII RENEWABLE ENERGY ALLIANCE

46-040 Konane Place #3816, Kaneohe, HI 96744 – Telephone/FAX: 247-7753 – Email: wsb@lava.net

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Inter Island Solar Supply

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**TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII
RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON
ENERGY AND ENVIRONMENTAL PROTECTION**

**HB 2628, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST HONOLULU SEAWATER AIR
CONDITIONING LLC PROJECTS ON THE ISLAND OF OAHU**

February 2, 2010

Chair Morita, Vice-Chair Coffman and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is an industry-based, nonprofit corporation in Hawaii established in 1995. Our mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of our goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of HB 2628 is to extend the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning LLC. The legislature has previously authorized a total of \$145 million in SPRBs for this Project. This bill requests an extension to June 28, 2015 on \$48 million in SPRBs that will expire on June 30, 2010. HREA strongly supports this measure for the following reasons:

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1. SWAC Benefits. Seawater Air Conditioning ("SWAC") is a renewable energy technology which offsets the need for electricity to cool water via a conventional chiller system. As an off-set technology, all SWAC projects would contribute towards the utility's RPS.
2. HSWAC Project Benefits. It has been estimated that the proposed Honolulu Seawater Air Conditioning ("HSWAC") Downtown project the Downtown project will off-set approximately 14 MWs in power that would otherwise be needed for 28,000 tons of conventional chiller-type air conditioning. This project will help HECO meet its RPS requirement; and also provide valuable jobs during construction and operation of the facility.
3. Need for the Extension of the Bond Authority. Unprecedented disruptions in the financial markets have caused HSWAC to postpone the sale of bonds for the Downtown project. This has caused some of the SPRBs to approach expiration. Current markets are dramatically improved and there is significant interest in the financing of this green project. HREA understands the balance of Downtown Honolulu SWAC Project funding will come from taxable bonds and private-sector equity investment.

Thank you for this opportunity to testify.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO
 GENTRY PACIFIC DESIGN CENTER, STE. 215A • 580 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
 (808) 524-2249 • FAX (808) 524-6893

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NOLAN MORIWAKI
 President
 Bricklayers & Ceramic Tile Setters
 Local 1 & Plasterers/Cement
 Masons Local 530

JOSEPH O'DONNELL
 Vice President
 Iron Workers Local 625

DAMIEN T. K. KIM
 Financial Secretary
 International Brotherhood of
 Electrical Workers Local 1186

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RONAN KOZUMA
 Hawaii Teamsters & Allied
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GARY AYCOCK
 Boilermakers, Ironship Builders
 Local 627

LYNN KINNEY
 District Council 50
 Painters & Allied Trades
 Local 1791

KALANI MAHOE
 Operating Engineers Local 3

PETER GANABAN
 Laborers' International Union of North
 America Local 368

DOUGLAS PULP
 International Association of
 Heat & Frost Insulators
 & Allied Workers Local 132

February 1, 2010

Honorable Representative Hermina M. Morita, Chair
 Honorable Representative Denny Coffman, Vice Chair
 Members of the House Committee on Energy & Environmental Protection
 Hawaii State Capital
 415 South Beretania Street
 Honolulu, HI 96813

RE: IN SUPPORT OF HB 2628
 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE
 BONDS TO ASSIST HONOLULU SEAWATER AIR
 CONDITIONING LLC PROJECTS ON THE ISLAND OF OAHU.
 Hearing: Tues., Feb. 2, 2010, 8:30 a.m., Room 325

Dear Chair Morita, Vice Chair Coffman and the House Committee on
 Energy & Environmental Protection:

For the Record my name is Buzz Hong the Executive Director for
 the Hawaii Building & Construction Trades Council, AFL-CIO. Our
 Council is comprised of 16-construction unions and a membership
 of 26,000 statewide.

The Council SUPPORTS the passage of HB 2628 that extends the
 authorization to issue special purpose revenue bonds for Honolulu
 Seawater Air Conditioning LLC.

Thank you for the opportunity to submit this testimony in
 opposition of HB 2628.

Sincerely,

William "Buzz" Hong
 Executive Director

WBH/dg

Skilled Craftsmanship Makes the Difference.