

STAND. COM. REP. NO.

910

Honolulu, Hawaii

RE: MAR 24 2009
H.B. No. 425
H.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 425, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to extend the authorization, from June 30, 2009, to June 30, 2014, to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

Testimony in support of this measure was submitted by two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 111, Session Laws of Hawaii 2004, authorized the Department of Budget and Finance to issue special purpose revenue bonds in an amount up to \$32,000,000 and an additional \$68,000,000 in subsequent years, to Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling system. Your Committee finds that this measure is intended to extend the 2004 authorization to issue the initial \$32,000,000 in bonds to 2014. Your Committee also finds that, although progress has been made in moving the project ahead, certain permitting, environmental impact assessment studies,

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detailed design, and other factors have taken more time than originally contemplated. Construction on the project is scheduled to begin during the fourth quarter of 2009.

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. 425, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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



MIKE GABBARD, Chair



