JAN 17 2014

### A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WITH THE PLANNING, DESIGN, CONSTRUCTION, EQUIPPING, LAND LEASES, AND OTHER TANGIBLE ASSETS FOR A RENEWABLE ENERGY PROJECT WITH ENERGY STORAGE TECHNOLOGY ON THE ISLAND OF MOLOKAI.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that support for the
- development of renewable energy projects in Hawaii, which is 2
- 3 geographically isolated from sources of oil, continues to be in
- 4 the public interest. This is especially true given the high
- cost of electricity in Hawaii, particularly on the island of 5
- 6 Molokai.
- 7 The legislature further finds that Princeton Energy Group
- 8 is engaged in the planning, design, and construction process to
- 9 develop a multi-megawatt renewable energy project with energy
- 10 storage technology near Kaunakakai to exclusively serve the
- island of Molokai. 11
- 12 The issuance of special purpose revenue bonds and refunding
- 13 special revenue bonds under this Act to assist Princeton Energy
- 14 Group in the planning, design, and construction of its renewable
- 15 energy project will make the development of such a project more

1	economically reasible and provide numerous benefits. Among	
2	other ben	efits, it is expected that such a project will:
3	(1)	Eliminate or greatly reduce the carbon footprint of
4		the island of Molokai;
5	(2)	Provide substantial energy cost savings to the
6		residents and businesses on the island of Molokai;
7	(3)	Stabilize the electrical grid on the island of
8		Molokai;
9	(4)	Extend the life of existing electrical equipment on
10		the island of Molokai;
11	(5)	Increase the robustness of electrical service on the
12		island of Molokai in the event of an emergency;
13	(6)	Generate millions of dollars in construction project
14		spending and also create long-term jobs on the island
15		of Molokai; and
16	(7)	Help the State, counties, and federal government meet
17		their goals to reduce their consumption of fossil
18		fuels and mandates for renewable energy.
19	The	legislature finds and declares that the issuance of
20	special p	urpose revenue bonds under this Act is in the public
21	interest	and for the public health, safety, and general welfare

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         SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
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    Statutes, the department of budget and finance, with the
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    approval of the governor, is authorized to issue special purpose
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    revenue bonds in a total amount not to exceed $50,000,000 in one
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    or more series, for the purpose of assisting Princeton Energy
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    Group, a Nevada limited liability company, or a special purpose
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    entity established for the purpose of constructing the renewable
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    energy project with energy storage technology on Molokai, in
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    financing and refinancing the costs relating to the planning,
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    designing, construction, equipping, land leases, and other
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    tangible assets for a renewable energy project with energy
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    storage technology. The legislature hereby finds and determines
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    that the construction of a renewable energy project with energy
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    storage technology constitutes a project as defined in part V,
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    chapter 39A, Hawaii Revised Statutes, and the financing thereof
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    is assistance to an industrial enterprise.
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         SECTION 3.
                     The special purpose revenue bonds and the
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    refunding special purpose revenue bonds issued under this Act
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    shall be issued pursuant to part V, chapter 39A, Hawaii Revised
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    Statutes, relating to the power to issue special purpose revenue
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    bonds to assist industrial enterprises.
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1 SECTION 4. The department of budget and finance is 2 authorized, from time to time, including times subsequent to 3 June 30, 2019, to issue special purpose revenue bonds in 4 whatever principal amounts the department shall determine to be 5 necessary to refund the special purpose revenue bonds authorized 6 in section 2 and to refund special purpose revenue bonds 7 authorized in this section, regardless of whether the 8 outstanding special purpose revenue bonds or refunding special 9 purpose revenue bonds have matured or are the subject of 10 redemption or whether the refunding special purpose revenue 11 bonds shall be bonds for the multi-project programs described in 12 section 2. In making this determination, the department shall 13 comply with federal law relating to the exemption from federal 14 income taxation of the interest on bonds of the nature 15 authorized by this section. 16 The authorization to issue special purpose SECTION 5. 17 revenue bonds under this Act shall lapse on June 30, 2019. 18 SECTION 6. This Act shall take effect on July 1, 2014. 19

#### Report Title:

Special Purpose Revenue Bonds; Princeton Energy Group or Related Special Purpose Entity; Renewable Energy Project; Energy Storage Technology

#### Description:

Authorizes the issuance of special purpose revenue bonds to assist Princeton Energy Group or a related special purpose entity with the financing of the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai.

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