

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
ON  
HOUSE BILL NO. 992

February 17, 2015  
8:30 A.M.

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST HAWAIIAN ELECTRIC COMPANY, INC., MAUI ELECTRIC COMPANY,  
LIMITED, AND HAWAII ELECTRIC LIGHT COMPANY, INC.

House Bill No. 992 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Company, Inc. pursuant to Part VI, Chapter 39A, Hawaii Revised Statutes.

The Department would like to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of SPRB issuance will require further discussion and satisfactory credit underwriting review of the financing components with respect to any proposed financing.

Thank you for the opportunity to provide testimony on this measure.

Testimony Before The House Committee On  
Energy & Environmental Protection

House Bill No. 992

February 17, 2015

By

Tayne S. Y. Sekimura, Senior Vice President and Chief Financial Officer  
Hawaiian Electric Company, Inc.

Financial Vice President  
Hawaii Electric Light Company, Inc.  
Maui Electric Company, Limited

Chair Lee, Vice Chair Lowen and Members of the Committee:

Hawaiian Electric Company, Inc., Maui Electric Company, Limited and Hawaii Electric Light Company, Inc. (collectively, "the Companies") support the passage of House Bill No. 992. This bill seeks authorization for the Department of Budget and Finance to issue up to \$800 million in special purpose revenue bonds over five years on behalf of the Companies to finance multi-project capital improvement construction programs for the local furnishing of electric energy.

Interest and principal payments on these bonds, as well as all other costs associated with them, are obligations of the utilities on whose behalf they would be sold. The State has no obligation to make any payments related to these bonds.

Depending on market conditions, tax-exempt revenue bonds could be cheaper for customers than taxable debt. In 2012 and 2013, capital market conditions made it more economical for the Companies to issue taxable debt than revenue bonds. However, the Companies would like the flexibility to issue revenue bonds if it again becomes more economical to do so for our customers.

The proceeds of the sale of special purpose revenue bonds will be used by the utilities for the construction of facilities necessary to furnish electricity. All projects eventually financed by revenue bond proceeds must be specifically approved by the Hawaii Public Utilities Commission for revenue bond financing.

Thank you very much for the opportunity to testify in support of this measure.

lowen2-Thomas

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From: mailinglist@capitol.hawaii.gov  
Sent: Friday, February 13, 2015 2:37 PM  
To: EEPtestimony  
Cc: rfreitasjr@hotmail.com  
Subject: Submitted testimony for HB992 on Feb 17, 2015 08:30AM

**HB992**

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Freitas Jr.	Individual	Support	No

Comments: I support this bill!!!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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lowen2-Thomas

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From: mailinglist@capitol.hawaii.gov  
Sent: Friday, February 13, 2015 7:34 PM  
To: EEPtestimony  
Cc: shannonkona@gmail.com  
Subject: Submitted testimony for HB992 on Feb 17, 2015 08:30AM

**HB992**

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Oppose	No

Comments: Oppose.

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Sent: Tuesday, February 17, 2015 7:22 AM  
To: EEPtestimony  
Cc: jami.kawa@gmail.com  
Subject: Submitted testimony for HB992 on Feb 17, 2015 08:30AM

**LATE**

**HB992**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jamie Moana Kawauchi	Individual	Oppose	No

Comments: Aloha mai e Chris Lee, Chairman, Nicole E. Lowen, Vice Chair and EEP Committee Members, I, "STRONGLY OPPOSE, HB 992". RE:RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST HAWAIIAN ELECTRIC COMPANY, INC., MAUI ELECTRIC COMPANY, LIMITED, AND HAWAII ELECTRIC LIGHT COMPANY, INC. Me Ke Aloha Pumehana, Jamie M. Kawauchi POB 573 Naalehu, HI 96772 (808) 929-9076 (Home) (808) 037- 2185 (Cell)

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**HB992**

Submitted on: 2/16/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kerri Marks	Individual	Oppose	No

Comments: NO i do not want to carry \$800,000,000 debt for a for a dying utility

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To: EEPtestimony  
Cc: lance.duncan@live.com  
Subject: Submitted testimony for HB992 on Feb 17, 2015 08:30AM

**LATE**

**HB992**

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lance Duncan	Individual	Oppose	No

Comments: At this juncture with the contemplated merger of HECO and NEXTERA, this would not be an appropriate time to throw more money at the organization, let alone taxpayer underwritten money. We, instead, need stronger regulations to provide for better defining and enforcing the public interest in energy regulation as have the other 48 states engaged in interstate energy sales. The Public Interest is served by a market that allows competition to drive efficiency and innovation. As consumers, this is facilitated by a market which provides choices in our providers and distributors of energy. The Public Interest is definitely not served by a monopoly, especially one given the subsidy of taxpayer dollars to keep its' income statements in the black and its' debt offloaded to people already paying the highest electric rates in the nation. Thank you for your consideration. L. Duncan Pāhoa, HI

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