

# SB 2368

RELATING TO THE ISSUANCE OF  
SPECIAL PURPOSE REVENUE  
BONDS TO ASSIST PELATRON  
POWER EVOLUTION LLC

DAVID Y. IGE  
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON TRANSPORTATION AND ENERGY  
ON  
SENATE BILL NO. 2368

February 17, 2016  
2:45 P.M.

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST PELATRON POWER EVOLUTION LLC.

Senate Bill No. 2368 authorizes the issuance of Special Purpose Revenue Bonds (SPRB) up to \$63,000,000 to provide financing to assist Pelatron Power Evolution LLC with the development of renewable energy power plants within the State pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only 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.

The Department also recommends an amendment to Section 4 of the bill, as follows (new language underlined):

"SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2021, to issue special purpose revenue bonds..."

The amendment to Section 4 will allow the special purpose revenue bonds to be refunded after the sunset date of the authorization.

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



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Transportation & Energy  
Wednesday, February 17, 2016 at 2:45 P.M.  
Conference Room 225, State Capitol**

**RE: SENATE BILL 2368 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE  
REVENUE BONDS TO ASSIST PELATRON POWER EVOLUTION LLC.**

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2368, which authorizes the issuance of special purpose revenue bonds to assist Pelatron Power Evolution LLC with the development of renewable energy power plants within the State.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Pelatron Power Evolution LLC's gasification and renewable energy applications converting waste and bio matter into clean energy aide Hawaii in achieving our one hundred percent renewable energy standard and providing cheap energy and an alternative to landfills. These waste-to-energy power plants create renewable energy and jobs, while also reducing greenhouse gas emissions and landfill waste. The Chamber supports the issuance of special purpose revenue bonds for the purpose of assisting Pelatron Power Evolution LLC, a Hawaii corporation, to finance or refinance the planning, construction, improvement, and equipping of its manufacturing facilities in the State.

Thank you for the opportunity to testify.

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
PVT Land Company**

DATE: February 16, 2016

TO: Senator Lorraine Inouye  
Chair, Committee on Transportation and Energy  
*Submitted Via [TRETestimony@capitol.hawaii.gov](mailto:TRETestimony@capitol.hawaii.gov)*

RE: **S.B. 2368 – Relating to the Issuance of Special Purpose Revenue Bonds to Assist Pelatron Power Evolution LLC.**  
**Hearing Date: Wednesday, February 17, 2016 at 2:45 p.m.**  
**Conference Room: 225**

---

Dear Chair Inouye and Members of the Committee:

PVT Land Company submits this testimony in **support** of S.B. 2368, which authorizes the issuance of Special Purpose Revenue Bonds to assist Pelatron Power Evolution LLC.

PVT supports the production of clean renewable energy from locally produced solid waste. The development of waste-to-energy power plants will not only contribute to the State's energy security, but will also reduce the State's carbon footprint and the environmental impact of landfilling waste while adding living-wage jobs to the State's economy.

For these reasons, PVT Land Company supports S.B. 2368 and respectfully requests this committee to pass the measure.

Thank you for the opportunity to submit this testimony.

---

Gary M. Slovin  
Mihoko E. Ito  
C. Mike Kido  
Tiffany N. Yajima

999 Bishop Street, Suite 1400  
Honolulu, HI 96813  
(808) 539-0840



## Kaala Coleman

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 16, 2016 12:50 PM  
**To:** TRE Testimony  
**Cc:** kekoa.mcclellan@pelatronpower.com  
**Subject:** Submitted testimony for SB2368 on Feb 17, 2016 14:45PM

### **SB2368**

Submitted on: 2/16/2016

Testimony for TRE on Feb 17, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Kekoa McClellan	PQ Energy LLC	Comments Only	Yes

Comments: This bill is substantially similar to SB 3121 - The intent of this bill is achieved by the passage of SB 3121 where the correct language related to this activity exists. I will be available in person to testify and respond to any questions the committee may have.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)