

JAN 17 2025

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST BANA PACIFIC INC.

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

1 SECTION 1. The legislature finds that the State faces
2 critical challenges in energy security, waste management, and
3 climate change mitigation. As the most isolated population
4 center in the world, the State is highly dependent on imported
5 fossil fuels, which makes its energy system vulnerable to supply
6 chain disruptions and price volatility. Additionally, the State
7 generates significant amounts of organic waste, much of which is
8 directed to landfills, contributing to methane emissions and
9 reducing landfill capacity.

10 The legislature further finds that the proposed project by
11 Bana Pacific Inc., a Hawaii corporation, to construct and
12 operate a biogas production facility addresses these pressing
13 challenges. Specifically, the proposed facility will:

14 (1) Convert locally sourced biomass, agricultural
15 byproducts, and organic waste into biogas and
16 renewable natural gas;



- 1 (2) Incorporate advanced technologies to produce green
2 hydrogen using renewable energy sources; and
- 3 (3) Provide a sustainable and renewable source of energy
4 for power generation, transportation, and industrial
5 applications.

6 The legislature recognizes that the project will not only
7 reduce the State's dependence on imported fossil fuels but also
8 advance its climate and sustainability goals, including the
9 reduction of greenhouse gas emissions and the transition to
10 one-hundred-per cent renewable energy by 2045.

11 Furthermore, the legislature acknowledges the wide-ranging
12 benefits of the project. For energy and fuel security, the
13 proposed biogas production facility will produce reliable and
14 renewable energy sources, reducing the State's vulnerability to
15 global energy markets. By diverting organic waste from
16 landfills and producing renewable fuels, the project will
17 substantially reduce methane emissions and the State's overall
18 carbon footprint. The project supports waste mitigation by
19 providing an environmentally responsible solution to manage
20 organic waste and residual biomass, alleviating pressure on the
21 State's limited landfill capacity. By converting agricultural



1 byproducts into valuable energy resources, the facility will
2 support local farmers and fosters sustainable agricultural
3 practices. In addition, the use of underutilized lands for
4 biomass collection will reduce wildfire risks while improving
5 land management practices. Finally, the construction and
6 operation of the facility will create significant job
7 opportunities, stimulate local economic growth, and generate tax
8 revenue for the State.

9 Accordingly, the purpose of this Act is to authorize the
10 issuance of special purpose revenue bonds to assist Bana
11 Pacific Inc. in the construction of a biogas production facility
12 that will convert local biomass and organic material into
13 biogas, a clean, renewable source of fuel for power generation.

14 SECTION 2. The legislature finds and declares that the
15 issuance of special purpose revenue bonds under this Act is in
16 the public interest and for the public health, safety, and
17 general welfare.

18 SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised
19 Statutes, the department of budget and finance, with the
20 approval of the governor, is authorized to issue special purpose
21 revenue bonds in a total amount not to exceed \$180,000,000, in



1 one or more series, for the purpose of assisting Bana
2 Pacific Inc., a Hawaii corporation, in the construction of a
3 biogas production facility that will convert local biomass and
4 organic material into biogas, a clean, renewable source of fuel
5 for power generation. The legislature hereby finds and
6 determines that the construction of a biogas production facility
7 to convert local biomass and organic material into biogas
8 constitutes a project as defined in part V, chapter 39A, Hawaii
9 Revised Statutes, and the financing thereof constitutes
10 assistance to an industrial enterprise.

11 SECTION 4. The special purpose revenue bonds and the
12 refunding special purpose revenue bonds issued under this Act
13 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
14 Statutes, relating to the power to issue special purpose revenue
15 bonds to assist industrial enterprises.

16 SECTION 5. The department of budget and finance is
17 authorized, from time to time, including times subsequent to
18 June 30, 2030, to issue special purpose revenue bonds in
19 whatever principal amounts the department shall determine to be
20 necessary to refund the special purpose revenue bonds authorized
21 in section 2 and to refund special purpose revenue bonds

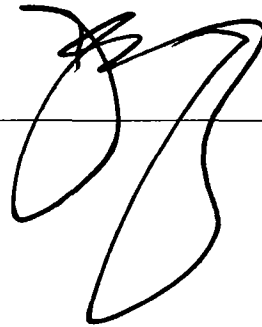


1 authorized in this section, regardless of whether the
2 outstanding special purpose revenue bonds or refunding special
3 purpose revenue bonds have matured or are the subject of
4 redemption or whether the refunding special purpose revenue
5 bonds shall be bonds for the multi-project programs described in
6 section 2. In making this determination, the department shall
7 comply with federal law relating to the exemption from federal
8 income taxation of the interest on bonds of the nature
9 authorized by this section.

10 SECTION 6. The authorization to issue special purpose
11 revenue bonds under this Act shall lapse on June 30, 2030.

12 SECTION 7. This Act shall take effect on July 1, 2025.

13
INTRODUCED BY: _____

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned over the line following "INTRODUCED BY:".

Report Title:

SPRB; Bana Pacific Inc.; Biogas Production Facility

Description:

Authorizes the issuance of special purpose revenue bonds to assist Bana Pacific Inc. in constructing a biogas production facility.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

