
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON THE ISLAND OF OAHU.

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

1 SECTION 1. The legislature finds that support for the
2 development of renewable energy systems and efficient energy
3 systems in the State, which is geographically isolated from
4 sources of oil, continues to be in the public interest.

5 The legislature further finds that Honolulu Seawater Air
6 Conditioning LLC proposes to build seawater air conditioning
7 district cooling systems on the island of Oahu. Honolulu
8 Seawater Air Conditioning LLC is engaged in the planning,
9 design, and construction of a seawater air conditioning district
10 cooling system in Waikiki using cold, deep seawater as the
11 primary cooling source.

12 The legislature finds and declares that the issuance of
13 special purpose revenue bonds under this Act is in the public
14 interest and for the public health, safety, and general welfare.
15 The legislature further finds that the issuance of special
16 purpose revenue bonds and refunding special purpose revenue
17 bonds under this Act to assist Honolulu Seawater Air



1 Conditioning LLC in planning, designing, and constructing a
2 seawater air conditioning district cooling project in Waikiki
3 will make the development of a seawater air conditioning
4 district cooling system more economically feasible and provide
5 numerous benefits. Seawater air conditioning systems:

- 6 (1) Provide customers with reduced and stable cooling
7 costs;
- 8 (2) Use an abundant, infinite, renewable energy resource -
9 cold, deep seawater - to provide more than seventy per
10 cent of the cooling load;
- 11 (3) Eliminate the need for cooling towers and, as a
12 result, reduce potable water use, toxic chemical use,
13 and the production of sewage;
- 14 (4) Greatly reduce the use of harmful chemicals and
15 refrigerants used in conventional cooling systems;
- 16 (5) Can provide energy savings of seventy per cent, or
17 more, compared to conventional air conditioning
18 systems;
- 19 (6) Have lower operating and maintenance costs than
20 individual building air conditioning systems;



- 1 (7) Eliminate the need for up to 0.68 kilowatts of
2 electricity generation capacity for each ton of
3 cooling capacity;
- 4 (8) Will generate millions of dollars in construction
5 project spending. In addition to construction jobs, a
6 significant number of long-term, well-paid jobs will
7 also be created. Other local economic development
8 benefits will accrue from money that stays in Hawaii
9 rather than being used to purchase oil; and
- 10 (9) Will help the State of Hawaii, the city and county of
11 Honolulu, and the federal government to meet goals and
12 mandates for energy efficiency and renewable energy
13 use.

14 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
15 Statutes, the department of budget and finance is hereby
16 authorized, with the approval of the governor, to issue special
17 purpose revenue bonds in a total amount not to exceed
18 \$90,000,000, in one or more series, for the purpose of assisting
19 Honolulu Seawater Air Conditioning LLC (or a partnership in
20 which Honolulu Seawater Air Conditioning LLC is a general
21 partner, or the successor in interest or assignee of Honolulu
22 Seawater Air Conditioning LLC), with the planning, design, and

1 construction of a seawater air conditioning district cooling
2 facility and chilled water distribution system in Waikiki, using
3 cold, deep seawater as the primary cooling source.

4 The legislature hereby finds and determines that the
5 activity and facilities of Honolulu Seawater Air Conditioning
6 LLC constitute a project as defined in part V, chapter 39A,
7 Hawaii Revised Statutes, and the financing thereof is assistance
8 to an industrial enterprise.

9 SECTION 3. The special purpose revenue bonds and the
10 refunding special purpose revenue bonds issued under this Act
11 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
12 Statutes, relating to the power to issue special purpose revenue
13 bonds to assist industrial enterprises.

14 SECTION 4. The department of budget and finance is
15 authorized, from time to time, including times subsequent to
16 June 30, 2011, to issue special purpose revenue bonds in
17 whatever principal amounts the department shall determine to be
18 necessary to refund the special purpose revenue bonds authorized
19 in section 2 and to refund special purpose revenue bonds
20 authorized in this section, regardless of whether the
21 outstanding special purpose revenue bonds or refunding special
22 purpose revenue bonds have matured or are the subject of



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1 redemption or whether the refunding special purpose revenue
 2 bonds shall be bonds for the multi-project programs described in
 3 section 2.

4 In making this determination, the department shall comply
 5 with federal law relating to the exemption from federal income
 6 taxation of the interest on bonds of the nature authorized by
 7 this section.

8 SECTION 5. The authorization to issue special purpose
 9 revenue bonds under this Act shall lapse on June 30, 2011.

10 SECTION 6. This Act shall take effect on July 1, 2006.

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JAN 24 2006



HB 2615

Report Title:

Special Purpose Revenue Bonds; Honolulu Seawater Air
Conditioning LLC

Description:

Authorizes issuance of special purpose revenue bonds to Honolulu
Seawater Air Conditioning LLC for the purpose of planning,
designing, and constructing a seawater air conditioning district
cooling system in Waikiki.

