

Honolulu, Hawaii

Feb. 16, 2006

RE: S.B. No. 3171  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Energy, Environment, and International Affairs and Business and Economic Development, to which was referred S.B. No. 3171 entitled:

"A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING DISTRICT COOLING SYSTEMS,"

beg leave to report as follows:

The purpose of this measure is to allow the sale of cooling from seawater air conditioning district cooling systems to qualify for state enterprise zone benefits.

The Department of Business, Economic Development, and Tourism, the Hawaii Renewable Energy Alliance, and Honolulu Seawater Air Conditioning LLC, submitted testimony in support of this measure. The Department of Taxation submitted comments.

Your Committees find that adding alternative energy production such as seawater air conditioning cooling systems will further the State's goal of reducing its dependency on fossil fuels. In addition, the downtown Honolulu seawater air conditioning project is expected to generate millions of dollars in construction project spending and other economic development benefits.

Your Committees amended this measure by making technical, non-substantive amendments for clarity and style.

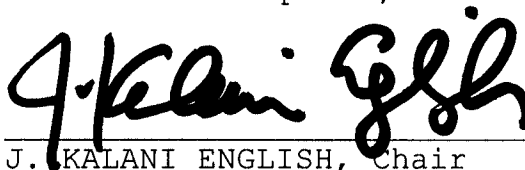


As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3171, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3171, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy,  
Environment, and International  
Affairs and Business and  
Economic Development,



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WILL ESPERO, Chair



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J. KALANI ENGLISH, Chair





