
A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIODIESEL PROJECTS FOR ELECTRICAL GENERATION ON THE ISLAND OF MAUI.

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

1 SECTION 1. (a) 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 BlueEarth Maui
6 Biodiesel, LLC proposes to build biodiesel transesterification
7 plants on the island of Maui. BlueEarth Maui Biodiesel, LLC is
8 engaged in the planning, design, and construction of a biodiesel
9 refinery on Maui to supply a renewable source of electrical
10 generation fuel replacing a portion of the petroleum based
11 feedstocks presently being used.

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 of special purpose revenue
17 bonds under this Act to assist BlueEarth Maui Biodiesel, LLC in



1 planning, design, and construction of a biodiesel refinery on
2 Maui will make the generation of electricity with renewable
3 biofuels economically feasible and provide numerous benefits.

4 Electrical generation with biodiesel fuel will:

- 5 (1) Reduce dependence on imported fossil fuels for
6 electrical generation increasing Hawaii's energy
7 security;
- 8 (2) Help to meet Hawaii's renewable energy goals by
9 utilizing existing generation assets with on-island
10 produced renewable biodiesel;
- 11 (3) Reduce Green House Gas emissions via a renewable
12 closed loop carbon system;
- 13 (4) Provide significant reductions of hydrocarbon, sulfur,
14 toxic compounds, and particulate matter emissions
15 compared to burning petroleum diesel;
- 16 (5) Eliminate, over time, the need to purchase and import
17 up to forty million gallons of diesel and fuel oil per
18 year;

19 (b) Other benefits from the BlueEarth Maui Biodiesel, LLC
20 project include:

- 21 (1) Competitively priced biodiesel;



- 1 (2) The stimulation of locally grown biodiesel feedstocks
2 such as palm oil and jatropha oil, bringing fallow
3 agricultural lands back into production;
- 4 (3) The stimulation of locally produced ethanol for use as
5 a renewable component in the transesterification of
6 vegetable oils into biodiesel;
- 7 (4) The generation of millions of dollars in construction
8 project spending. In addition to construction jobs, a
9 significant number of long-term, well paid jobs will
10 also be created. Long-term agricultural jobs will be
11 created as a locally grown biodiesel feedstock oil
12 industry is developed. Other local economic
13 development benefits will accrue from money that stays
14 in Hawaii rather than being used to purchase imported
15 oil; and
- 16 (5) The assistance to the State, county of Maui, and the
17 federal government to meet goals and mandates for
18 energy efficiency and renewable energy use.

19 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
20 Statutes, the department of budget and finance, with the
21 approval of the governor, is authorized to issue special purpose
22 revenue bonds in a total amount not to exceed \$55,000,000, in



1 one or more series, for the purpose of assisting BlueEarth Maui
2 Biodiesel, LLC, a Hawaii corporation, for the planning, design,
3 and construction of a biodiesel refinery on Maui with primary
4 take-off designated as fuel for electrical generation. The
5 legislature hereby finds and determines that electrical
6 generation on the island of Maui constitutes a project as
7 defined in part V, chapter 39A, Hawaii Revised Statutes, and the
8 financing thereof is assistance to industrial enterprises.

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, 2012, 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



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

7 SECTION 5. The authorization to issue special purpose
 8 revenue bonds under this Act shall lapse on June 30, 2012.

9 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

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JAN 24 2007



Report Title:

SPRBs; BlueEarth Maui Biodiesel, LLC

Description:

Authorizes the issuance of special purpose revenue bonds for BlueEarth Maui Biodiesel, LLC for the planning, design, and construction of a biodiesel refinery on Maui with primary take-off designated as fuel for electrical generation.

