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## A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST OCEANLINX HAWAII LLC.

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

1           SECTION 1. The legislature finds that support for the  
2 development of efficient renewable energy systems in the state,  
3 which is geographically isolated from sources of oil and other  
4 fossil fuels, is in the public interest.

5           The legislature further finds that Oceanlinx Hawaii LLC  
6 specializes in the development, construction, and operation of  
7 electrical generation technology using ocean wave energy, often  
8 referred to as hydrokinetic technology, with hydrokinetic power  
9 projects under development in Rhode Island, the United Kingdom,  
10 Australia, and South Africa. Oceanlinx Hawaii LLC is engaged in  
11 the planning, design, and construction of a hydrokinetic power  
12 facility to be located off-shore of Maui to supply electric  
13 energy generated from wave energy as a renewable energy source  
14 to Maui Electric Company, Inc., which will reduce the amount of  
15 petroleum-based fuels used to generate electricity in the state.

16           The legislature further finds that the issuance of special  
17 purpose revenue bonds and refunding special purpose revenue



1 bonds under this Act to assist Oceanlinx Hawaii LLC in planning,  
2 designing, and constructing a wave energy, or hydrokinetic,  
3 power facility and supplying electric energy generated from that  
4 facility to an electric utility for resale to the general public  
5 will contribute to the use of this renewable energy resource of  
6 the state and will provide numerous benefits, including:

- 7 (1) Reducing dependence on imported fossil fuels for  
8 electrical generation, thereby increasing Hawaii's  
9 energy security;
- 10 (2) Helping to meet Hawaii's renewable energy goals by  
11 using existing natural energy resources;
- 12 (3) Supporting the environmentally beneficial development  
13 of one of Hawaii's abundant renewable energy  
14 resources; and
- 15 (4) Assisting the State, the county of Maui, and the  
16 federal government to meet their goals and mandates  
17 for energy efficiency and renewable energy use.

18 SECTION 2. The legislature finds and declares that the  
19 issuance of special purpose revenue bonds under this Act is in  
20 the public interest and is for the public health, safety, and  
21 general welfare.



1 SECTION 3. Pursuant to part V, chapter 39A, Hawaii Revised  
2 Statutes, the department of budget and finance, with the  
3 approval of the governor, is authorized to issue special purpose  
4 revenue bonds in a total amount not to exceed \$20,000,000, in  
5 one or more series, for the purpose of assisting Oceanlinx  
6 Hawaii LLC, with the planning, design, and construction of the  
7 hydrokinetic power generation facility off-shore of Maui. The  
8 legislature hereby finds and determines that hydrokinetic power  
9 generation constitutes a project as defined in part V, chapter  
10 39A, Hawaii Revised Statutes, and the financing thereof is  
11 assistance to an industrial enterprise.

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

17 SECTION 5. The special purpose revenue bonds issued under  
18 this Act may be issued in one or more series for a single  
19 project, multiple projects, a single-project party, or multiple-  
20 project parties pursuant to the authority of this Act or the  
21 combined authority of this Act and any one or more other  
22 separate Acts of the legislature pursuant to part V, chapter



1 39A, Hawaii Revised Statutes, and the department of budget and  
2 finance may combine into a single issue of special purpose  
3 revenue bonds, in one or more series, two or more proposed  
4 issues of special purpose revenue bonds to be issued pursuant to  
5 part V, chapter 39A, Hawaii Revised Statutes, separately  
6 authorized, in the total amount not to exceed the aggregate of  
7 the proposed separate issues of special purpose revenue bonds.

8 SECTION 6. The department of budget and finance is  
9 authorized, from time to time, including times subsequent to  
10 June 30, 2013, to issue special purpose revenue bonds in  
11 whatever principal amounts the department shall determine to be  
12 necessary to refund the special purpose revenue bonds authorized  
13 in section 3 and to refund special purpose revenue bonds  
14 authorized in this section, regardless of whether the  
15 outstanding special purpose revenue bonds or refunding special  
16 purpose revenue bonds have matured or are the subject of  
17 redemption or whether the refunding special purpose revenue  
18 bonds shall be bonds for the multi-project programs described in  
19 section 3. In making this determination, the department shall  
20 comply with federal law relating to the exemption from federal  
21 income taxation of the interest on bonds of the nature  
22 authorized by this section.



1 SECTION 7. The authorization to issue special purpose  
2 revenue bonds under this Act shall lapse on June 30, 2013.

3 SECTION 8. This Act shall take effect on July 1, 2008.



**Report Title:**

Special Purpose Revenue Bonds; Hydrokinetic Energy; Maui

**Description:**

Authorizes the issuance of special purpose revenue bonds for planning, designing, and constructing a hydrokinetic power facility on Maui. (HB2401 HD2)

