

JAN 16 2008

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 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, to be 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., and will replace a portion of
15 the petroleum-based fuels presently being used 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, county of Maui, and the federal
16 government to meet their goals and mandates for energy
17 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 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 department of budget and finance is
18 authorized, from time to time, including times subsequent to
19 June 30, 2013, to issue special purpose revenue bonds in
20 whatever principal amounts the department shall determine to be
21 necessary to refund the special purpose revenue bonds authorized
22 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, 2013.

12 SECTION 7. This Act shall take effect upon its approval.
 13

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Report Title:

Special Purpose Revenue Bonds; Hydrokinetic Energy; Maui

Description:

Authorizes the issuance of special purpose revenue bonds for planning, designing, and constructing a wave or hydrokinetic power facility on Maui.

