

JAN 19 2007

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 (SWAC) 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 SWAC district cooling facility and
10 chilled water distribution system in downtown Honolulu using
11 cold, deep seawater as the 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



1 bonds under this Act to assist Honolulu Seawater Air
2 Conditioning LLC, in constructing the portion of this district
3 cooling project consisting of its chilled water distribution
4 system and balance-of-system components and structures, will
5 make the development of such a SWAC system more economically
6 feasible and provide numerous benefits, including the following:

7 (1) SWAC systems provide customers with reduced and stable
8 cooling costs;

9 (2) SWAC systems use an abundant, infinite, renewable
10 energy resource - cold, deep seawater - to provide
11 more than ninety per cent of the cooling load;

12 (3) SWAC systems eliminate the need for cooling towers
13 and, as a result, reduce potable water use, toxic
14 chemical use, and the production of sewage;

15 (4) SWAC systems greatly reduce the use of harmful
16 chemicals (refrigerants) used in conventional cooling
17 systems;

18 (5) SWAC systems can provide energy savings of seventy per
19 cent, or more, compared to conventional air
20 conditioning systems;



- 1 (6) SWAC systems have lower operating and maintenance
2 costs than individual building air conditioning
3 systems;
- 4 (7) SWAC systems eliminate the need for up to 0.63
5 kilowatts of electricity generation capacity for each
6 ton of cooling capacity;
- 7 (8) SWAC systems will generate millions of dollars in
8 construction project spending. In addition to
9 construction jobs, a significant number of long-term,
10 well-paid jobs will also be created. Other local
11 economic development benefits will accrue from money
12 that stays in Hawaii, and is not used to purchase oil;
13 and
- 14 (9) SWAC systems will help the State of Hawaii, the city
15 and county of Honolulu, and the federal government to
16 meet goals and mandates for energy efficiency and
17 renewable energy use.

18 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
19 Statutes, the department of budget and finance, with the
20 approval of the governor, may issue special purpose revenue
21 bonds in a total amount not to exceed \$20,000,000, in one or
22 more series, for the purpose of assisting Honolulu Seawater Air



1 Conditioning LLC, in the design and construction of this
2 district cooling project.

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

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

13 SECTION 4. The department of budget and finance, from time
14 to time, including times subsequent to June 30, 2012, may issue
15 special purpose revenue bonds in whatever principal amounts the
16 department determines to be necessary to refund the special
17 purpose revenue bonds authorized in section 2 and to refund
18 special purpose revenue bonds authorized in this section,
19 regardless of whether the outstanding special purpose revenue
20 bonds or refunding special purpose revenue bonds have matured or
21 are the subject of redemption or whether the refunding special



S.B. NO. 993

1 purpose revenue bonds shall be bonds for the multi-project
 2 programs described in section 2.

3 In making this determination, the department shall comply
 4 with federal law relating to the exemption from federal income
 5 taxation of the interest on bonds of the nature authorized by
 6 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 on July 1, 2007.

10

INTRODUCED BY:

[Handwritten signature]
 Claremont Dickinson
[Handwritten signature]
 J. Kilian Egel
 Suzanne Chinn Oakland

 Rosely H Baker
 Chris Fukunaga
 Arvid V Jye
 Susan Drenth Kn
 Ypedlow JA



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 design and
construction of a seawater air conditioning district cooling
system in downtown Honolulu.

