
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 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 seawater air conditioning district
10 cooling facility and chilled water distribution system in
11 downtown Honolulu using cold, deep seawater as the primary
12 cooling source.

13 The legislature finds and declares that the issuance of
14 special purpose revenue bonds under this Act is in the public
15 interest and for the public health, safety, and general welfare.
16 The legislature further finds that the issuance of special



1 purpose revenue bonds and refunding special purpose revenue
2 bonds under this Act to assist Honolulu Seawater Air
3 Conditioning LLC, in constructing the portion of this district
4 cooling project consisting of its chilled water distribution
5 system and balance-of-system components and structures, will
6 make the development of such a seawater air conditioning system
7 more economically feasible and provide numerous benefits,
8 because seawater air conditioning systems:

- 9 (1) Provide customers with reduced and stable cooling
10 costs;
- 11 (2) Use an abundant, infinite, renewable energy resource -
12 cold, deep seawater - to provide more than ninety per
13 cent of the cooling load;
- 14 (3) Eliminate the need for cooling towers and, as a
15 result, reduce potable water use, toxic chemical use,
16 and the production of sewage;
- 17 (4) Greatly reduce the use of harmful chemicals
18 (refrigerants) used in conventional cooling systems;
- 19 (5) Can provide energy savings of seventy per cent, or
20 more, compared to conventional air conditioning
21 systems;



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

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



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

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

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

20 In making this determination, the department shall comply
21 with federal law relating to the exemption from federal income



1 taxation of the interest on bonds of the nature authorized by
2 this section.

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

5 SECTION 6. This Act shall take effect on July 1, 2007.



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. (SD1)

