

STAND. COM. REP. NO. 1253

Honolulu, Hawaii

March 16, 2007

RE: S.B. No. 1948  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1948, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR PROJECTS ON THE ISLAND OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to extend from June 30, 2007, to June 30, 2011, the lapse date for the authorization to issue special purpose revenue bonds to assist Hui 'Enekinia Hawai'i, an industrial enterprise.

Your Committee received testimony in support of the measure from Hui 'Enekinia Hawai'i.

Your Committee finds that special purpose revenue bonds to assist Hui 'Enekinia Hawai'i were originally authorized in 1993. The lapse date for the authorization of those bonds was originally established as June 30, 1998. The lapse date was subsequently extended to June 30, 1998, and later to June 30, 2007.

Your Committee also finds that Hui 'Enekinia Hawai'i remains engaged in the development of a cogeneration facility project that will sell electric energy to electric utilities that serve the public. It also plans to sell thermal fluids that it produces to existing and planned manufacturing and processing entrepreneurs in the area.

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Your Committee further finds that it is in the public interest to encourage the development of such cogeneration facilities. However, your Committee is concerned that the extension of authority to issue special purpose revenue bonds proposed by this measure would be the third granted to this project. Your Committee urges the Committees on Economic Development and Business Concerns and Finance to closely examine whether the extension is appropriate under the circumstances.

Your Committee has made a conforming amendment to Act 263, Session Laws of Hawaii 1993, to also extend to June 30, 2011, the date subsequent to which the Department of Budget and Finance is authorized to issue refunding special purpose revenue bonds.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1948, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1948, S.D. 1, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



HERMINA MORITA, Chair



