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# A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST BIOENERGY HAWAII, LLC.

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

1           SECTION 1. The legislature finds that it is in the public  
2 interest to encourage the development of cogeneration facilities  
3 that make electric energy available to members of the general  
4 public by the sale of electric energy to an electric utility  
5 serving the area.

6           The legislature also finds that the benefits of the  
7 development of cogeneration facilities include:

- 8           (1) Reduced greenhouse gas emissions;
- 9           (2) Reduced landfill waste streams;
- 10          (3) Reduced transportation and disposal costs;
- 11          (4) Creation of local technical and semi-technical jobs;
- 12                 and
- 13          (5) Renewable energy for local communities through  
14                 distributed generations.

15          The legislature also finds that BioEnergy Hawaii, LLC, is  
16 engaged in the development of a cogeneration facility project  
17 that will sell the electric energy it produces to electric

1 utilities serving the public, by processing non-fossil fuel  
2 feedstock to produce electricity, and selling thermal fluid from  
3 the process of generating electricity to private entrepreneurs.

4 The legislature further finds that BioEnergy Hawaii, LLC,  
5 may be assisted through the issuance of special purpose revenue  
6 bonds because it is an industrial enterprise pursuant to part V  
7 of chapter 39A, Hawaii Revised Statutes.

8 The legislature finds and declares that the issuance of  
9 special purpose revenue bonds under this Act is in the public  
10 interest and for the public health, safety, and general welfare.

11 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised  
12 Statutes, the department of budget and finance, with the  
13 approval of the governor, is authorized to issue special purpose  
14 revenue bonds in a total amount not to exceed \$100,000,000, in  
15 one or more series, for the purpose of assisting BioEnergy  
16 Hawaii, LLC, a Hawaii limited liability company, or a  
17 partnership in which BioEnergy Hawaii, LLC, is a general  
18 partner, for the establishment of a cogeneration facility and  
19 related energy production facilities. The electrical output of  
20 this plant and facilities shall be made available for use by  
21 members of the general public by sale to electric utilities.  
22 Thermal fluid output of this plant and related energy production

1 facilities shall be made available to existing and planned  
2 manufacturing processing entrepreneurs in the area. The  
3 legislature hereby finds and determines that the activities and  
4 facilities of BioEnergy Hawaii, LLC, constitute a project as  
5 defined in part V, chapter 39A, Hawaii Revised Statutes, and the  
6 financing thereof is assistance to an industrial enterprise.

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

12 SECTION 4. The department of budget and finance is  
13 authorized, from time to time, including times subsequent to  
14 June 30, 2014, to issue special purpose revenue bonds in  
15 whatever principal amounts the department shall determine to be  
16 necessary to refund the special purpose revenue bonds authorized  
17 in section 2 and to refund special purpose revenue bonds  
18 authorized in this section, regardless of whether the  
19 outstanding special purpose revenue bonds or refunding special  
20 purpose revenue bonds have matured or are the subject of  
21 redemption or whether the refunding special purpose revenue  
22 bonds shall be bonds for the multi-project programs described in

1 section 2. In making this determination, the department shall  
2 comply with federal law relating to the exemption from federal  
3 income taxation of the interest on bonds of the nature  
4 authorized by this section.

5 SECTION 5. The authorization to issue special purpose  
6 revenue bonds under this Act shall lapse on June 30, 2014.

7 SECTION 6. This Act shall take effect on July 1, 2009.

**Report Title:**

Energy; BioEnergy Hawaii, LLC; Special Purpose Revenue Bonds

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist BioEnergy Hawaii, LLC, establish a cogeneration facility and related energy production facilities. (SD1)