

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 391
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 391 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST SEAWATER AIR CONDITIONING PROJECTS ON OAHU,"

begs leave to report as follows:

The purpose of this measure is to authorize issuance of special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning district cooling project in downtown Honolulu.

Your Committee finds that Honolulu Seawater Air Conditioning, LLC, proposes to build a seawater air conditioning district cooling system on Oahu that uses cold, deep seawater as its primary cooling source. The issuance of special purpose revenue bonds will make the development of the seawater air conditioning system more economically feasible. Your Committee also finds that the project will provide numerous benefits, including:

- (1) Providing customers with reduced and stable cooling costs;
- (2) Using an abundant, infinite, sustainable energy resource - cold, deep seawater - to provide more than ninety per cent of the cooling load;



- (3) Eliminating the need for cooling towers and, as a result, reducing potable water use, toxic chemical use, and the production of sewage;
- (4) Greatly reducing the use of harmful chemicals (refrigerants) used in conventional cooling systems;
- (5) Potentially providing energy savings of seventy per cent, or more, compared to conventional air conditioning systems;
- (6) Having lower operating and maintenance costs than individual building air conditioning systems;
- (7) Eliminating the need for up to 0.63 kilowatts of electricity generation capacity for each ton of cooling capacity;
- (8) Potentially generating millions of dollars in construction project spending and creating construction jobs and a significant number of long-term, well-paid jobs;
- (9) Reducing the export of money from Hawaii's economy for oil and retaining that money in the local economy to support local economic development; and
- (10) Helping the State, City and County of Honolulu, and federal government to meet goals and mandates for energy efficiency and renewable energy use.

Your Committee amended this measure by:


- (1) Changing the authorized amount of special purpose revenue bonds to be issued to an unspecified amount;
- (2) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 391, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 391, S.D. 1.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,


DONNA MERCADO KIM, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 391	Committee Referral: ENE, WAM	Date: MAR 3 2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
TOTAL	10			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes