

STAND. COM. REP. NO.

262

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 391

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

Madam:

Your Committee on Energy and Environment, 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 the 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.

Testimony in support of this measure was submitted by four organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that especially in light of Hawaii's geographic isolation, the development and utilization of renewable, sustainable, and efficient energy systems continues to be in the public interest.

Your Committee further finds that Honolulu Seawater Air Conditioning, LLC proposes to build seawater air conditioning district cooling systems on the island of Oahu. Honolulu Seawater Air Conditioning, LLC is engaged in the planning, design, and construction of a seawater air conditioning district cooling facility and chilled water distribution system in downtown Honolulu using cold, deep seawater as the primary cooling source.

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Your Committee finds and declares that the issuance of special purpose revenue bonds under this measure is in the public interest and promotes the public health, safety, and general welfare. Your Committee further finds that the issuance of special purpose revenue bonds and refunding special purpose revenue bonds under this measure will make the development of a seawater air conditioning system more economically feasible and provide numerous benefits, including the following:

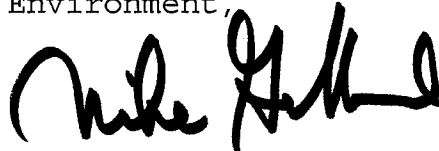
- (1) Providing customers with reduced and stable cooling costs;
- (2) Using an abundant, infinite, sustainable energy resource - cold, deep seawater - to provide more than ninety per cent of the cooling load;
- (3) Eliminating the need for cooling towers and, as a result, reducing potable water use, toxic chemical use, and the production of sewage;
- (4) Greatly reducing the use of harmful 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. In addition to construction jobs, a significant number of long-term, well-paid jobs will also be created;
- (9) Reducing the export of Hawaii moneys for oil and retaining that money in the Hawaii economy. Other local economic development benefits will accrue from money that stays in Hawaii and is not used to purchase oil; and



- (10) Helping the State of Hawaii, the City and County of Honolulu, and the federal government to meet goals and mandates for energy efficiency and renewable energy use.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 391 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



MIKE GABBARD, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* <i>SB 391</i>	Committee Referral: <i>ENE, WAM</i>	Date: <i>17 Feb 2009</i>		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)	/			
GREEN, M.D., Josh				/
HOOSER, Gary L.	✓			
IHARA, Jr., Les				/
KOKUBUN, Russell S.	/			
HEMMINGS, Fred	/			
TOTAL	5			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;"> <i>J. Kalani English</i> </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes