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Testimony on

H.B. NO. 425 -

**RELATING TO THE ISSUANCE OF
SPECIAL PURPOSE REVENUE BONDS TO ASSIST
HONOLULU SEAWATER AIR CONDITIONING, LLC
PROJECTS ON OAHU**

Before the

House Committee on Energy & Environmental Protection
Tuesday, February 17, 2009, 9:00 a.m., Conference Room 325

By

Anders Rydaker
Honolulu Seawater Air Conditioning LLC

Good morning Chair Morita, Vice Chair Coffman, and members of the Committee. My name is Anders Rydaker and I am testifying on behalf of Honolulu Seawater Air Conditioning, LLC (HSWAC).

Honolulu Seawater Air Conditioning LLC (HSWAC) strongly supports H.B 425, which extends the authorization to issue special purpose revenue bonds (SPRBs) for Honolulu Seawater Air Conditioning, LLC for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

HSWAC is an affiliate of Renewable Energy Innovations LLC, of St. Paul, Minnesota. REI has more than twenty years experience in operating district energy systems and is uniquely qualified to develop and operate a seawater air conditioning

(SWAC) district cooling system in Downtown Honolulu. HSWAC was organized for this purpose.

HSWAC first began preliminary work on the Downtown Honolulu Project in November 2003, and has made significant progress since then. Construction is scheduled to begin the fourth quarter of 2009.

The legislature authorized \$32 million in SPRBs in 2004, and an additional \$68 million in subsequent years, and for this project. This bill extends the 2004 authorization to issue the initial \$32 million in SPRBs, for this Project, from 2009 to 2014.

The balance of Downtown Honolulu SWAC Project funding will come from taxable bonds and private-sector equity investment.

Permitting, environmental impact assessment studies, detailed design, and other factors have taken additional time and have led to the need for HSWAC to request an extension of this authorization.

The requested SPRBs are a critical element of our financial framework for this very exciting project.

HSWAC is committed to the development of this project and appreciates the continued support of the Hawaii legislature.

Thank you for this opportunity to testify.