

Honolulu, Hawaii

March 11, 2010

RE: S.B. No. 2544
S.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 2544, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to extend from June 30, 2010, to June 28, 2015, the authorization for the Department of Budget and Finance to issue special purpose revenue bonds to finance the Honolulu Seawater Air Conditioning, LLC, projects on Oahu.

Testimony in support of this measure was submitted by the Hawaii Renewable Energy Alliance and one concerned individual.

Your Committee finds that in 2005, the Legislature authorized up to \$48,000,000 in special purpose revenue bonds to fund the design and construction of a seawater air conditioning district cooling system in downtown Honolulu. The seawater air conditioning district cooling system is a renewable energy project that demonstrates the State's commitment to a sustainable and energy efficient future.

Your Committee further finds that since the time the bonds were authorized, the financial markets became volatile, making sale of the bonds, which are approaching their expiration dates, difficult and costly to the State. Your Committee understands



that current markets have shown improvement and believes that by extending the time during which the Department of Budget and Finance may issue the special purpose revenue bonds, the State will be able to sell the bonds at a future date when the financial markets recover.

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. 2544, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

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

Hermina Morita

HERMINA MORITA, Chair



