

STAND. COM. REP. NO.

365

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 392

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. 392 entitled:

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

begs leave to report as follows:

The purpose of this measure is to extend the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

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

Your Committee finds that the Legislature authorized the issuance of \$32,000,000 in special purpose revenue bonds in 2004 and an additional \$68,000,000 in subsequent years for the project. Your Committee also finds that Honolulu Seawater Air Conditioning, LLC has made solid progress on the project, preparing and issuing a draft environmental impact statement in October 2008, marketing the system to potential customers, and securing financing for the project.

Your Committee further finds that Honolulu Seawater Air Conditioning, LLC's project is in the public interest, as it would

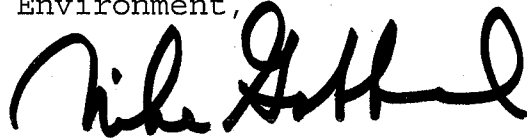


supply approximately 25,000 tons of air conditioning capacity, which means decreased electricity use for air conditioning.

Your Committee finds that permitting, environmental impact assessment studies, detailed design, and other factors have taken longer than expected, and that an extension of the authorization for the issuance of special purpose revenue bonds is necessary to continue and complete this project.

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. 392 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



