

Testimony In Support of  
HB2628  
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO  
ASSIST HONOLULU SEAWATER AIR CONDITIONING LLC PROJECTS ON THE ISLAND OF OAHU

Bill No. 2628

By  
Al Lardizabal, Director of Government Relations  
Hawaii Laborers' Union

Support  Y  N

Date 1/31

Time 19:19

To the  
Committee on Energy and Environment

Cat  AF  AS  AX  B  C

Tuesday, February 2, 2010, 8:30 a.m., Rm. 325  
State Capitol

Type  1  2  WI

Honorable Hermina M. Morita, Chair; Honorable Denny Coffman, Vice Chair and  
Members of the Committee:

The Hawaii Laborers' Union fully supports the intent and purpose of HB2628 to extend  
the Special Purpose Revenue Bond authorization to June 28, 2015 and to assist the  
Honolulu Seawater Air Conditioning LLC projects on Oahu.

This project will be unique energy saving method utilizing an abundant and natural  
energy source of cold ocean water.

Thank you for the opportunity to submit this testimony.



COOL GREEN CLEAN™  
Honolulu

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Affiliate of Renewable Energy Innovations, LLC  
No. 2628

Report  Y  N  
2/1  
12:30  
Committee S AX  BC

Testimony on

**H.B. NO. 2628**

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

Before the  
State of Hawaii House of Representatives  
**COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION**  
Tuesday, February 2, 2010, 8:30 a.m., Conference Room 325

By  
Frederic Berg, Project Director  
Honolulu Seawater Air Conditioning, LLC

Good morning Chair Morita, Vice Chair Coffman, and members of the Committee. My name is Frederic Berg and I am testifying on behalf of Honolulu Seawater Air Conditioning, LLC.

Honolulu Seawater Air Conditioning, LLC (HSWAC) **strongly supports** H.B. 2628, 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 Ever-Green Energy, LLC (EGE), of St. Paul, Minnesota. EGE has more than twenty six years experience in operating district cooling and heating 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.

The legislature authorized \$48 million in SPRBs in 2005, and an additional \$97 million for this project. This bill extends the 2005 authorization to issue SPRBs for this Project, from 2010 to 2015.

The balance of the Downtown Honolulu SWAC Project funding consists of \$10.75M in local and offshore first round equity investors completed in January of 2008, future taxable bonds and second round equity investment.

This complex project will serve more than 14 million square feet of Downtown Honolulu office, residential and retail space. Environmental impact assessment, permitting, system design, system engineering, and customer design are time intensive, and lead uncertain timelines. Also, the financial markets in the last two years have been in turmoil. These factors and more are leading HSWAC to request an extension of this authorization. HSWAC has demonstrated it is committed to completing and operating this renewable energy project by remaining firm during these uncertain times.

The project is capital intensive. HSWAC began it's investigations on the Project in 2003, and has made significant progress since committing to the project in Hawaii. Authorizations for only \$48 million of the \$145 million in SPRBs will have to be extended. Construction is scheduled to begin the fourth quarter of 2010 and HSWAC will use all of its authorized SPRBs over the next two years.

The requested SPRBs are an important element of project financing 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.

HAWAII RENEWABLE ENERGY ALLIANCE

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Bill No. 2628  
2468

Officers

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Support (H) N Support (Y)  
Date 2/1

HB 2468, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST HONOLULU SEAWATER AIR CONDITIONING LLC PROJECTS ON THE ISLAND OF OAHU

Time 15:43  
Cat AF AS AX (B) C

February 2, 2010

Type (1) 2 WI

Chair Morita, Vice-Chair Coffman and members of the Committee I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is an industry-based, nonprofit corporation in Hawaii established in 1995. Our mission is to support, through education and advocacy, the use of renewables for a sustainable, energy-efficient, environmentally-friendly, economically-sound future for Hawaii. One of our goals is to support appropriate policy changes in state and local government, the Public Utilities Commission and the electric utilities to encourage increased use of renewables in Hawaii.

The purpose of HB 2468 is to extend the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning LLC. The legislature has previously authorized a total of \$145 million in SPRBs for this Project. This bill requests an extension to June 28, 2015 on \$48 million in SPRBs that will expire on June 30, 2010. HREA strongly supports this measure for the following reasons:

1. SWAC Benefits. Seawater Air Conditioning ("SWAC") is a renewable energy technology which offsets the need for electricity to cool water via a conventional chiller system. As an off-set technology, all SWAC projects would contribute towards the utility's RPS.
2. HSWAC Project Benefits. It has been estimated that the proposed Honolulu Seawater Air Conditioning ("HSWAC") Downtown project the Downtown project will off-set approximately 14 MWs in power that would otherwise be needed for 28,000 tons of conventional chiller-type air conditioning. This project will help HECO meet its RPS requirement; and also provide valuable jobs during construction and operation of the facility.
3. Need for the Extension of the Bond Authority. Unprecedented disruptions in the financial markets have caused HSWAC to postpone the sale of bonds for the Downtown project. This has caused some of the SPRBs to approach expiration. Current markets are dramatically improved and there is significant interest in the financing of this green project. HREA understands the balance of Downtown Honolulu SWAC Project funding will come from taxable bonds and private-sector equity investment.

Thank you for this opportunity to testify.