



COOL GREEN CLEAN™
Honolulu

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Affiliate of Renewable Energy Innovations, LLC

Testimony on
SB 2544, SD2
**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 Representative
COMMITTEE ON FINANCE
Thursday, March 25, 2010, 10:00 a.m., Conference Room 308

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

Good morning Chair Oshiro, Vice Chair Lee, and members of the Committee. My name is Frederic Berg and I am testifying in favor of this bill on behalf of Honolulu Seawater Air Conditioning, LLC.

Honolulu Seawater Air Conditioning, LLC (HSWAC) **strongly supports** S.B. 2544, SD2, 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 district cooling system on Oahu. We respectfully ask that an effective date of June 29, 2010 be inserted.

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.

This complex project will serve more than 14 million square feet of Downtown Honolulu office, residential and retail space. The project is capital intensive and requires many Federal, State and County permits, including both Federal and State environmental impact statements.

Over the last several sessions the Hawaii State Legislature authorized \$145M in SPRBs. In 2005, the legislature authorized \$48M of those SPRBs which expire this year. This bill extends the 2005 SPRB authorization, from 2010 to 2015. Unprecedented disruptions in the financial markets have caused HSWAC to postpone the sale of SPRBs. Current markets are dramatically improved and there is significant interest in financing this renewable energy project. In addition to State of Hawaii SPRBs, the balance of HSWAC funding consists of \$10.75M in local and offshore first round equity investment completed in January of 2008, future taxable bonds and a second round of equity investment. With an anticipated construction start in the fourth quarter of this year, HSWAC expects to use all of its authorized SPRBs within the next three years. The requested SPRBs are an important element of financing this very exciting project.

HSWAC began its association with Hawaii and this project in 2003. Since then it has made significant progress. Feasibility studies, community outreach, customer surveys, environmental impact assessment, permitting, system design and engineering are either complete or nearly complete. HSWAC has demonstrated it is committed to completing and operating this renewable energy project by remaining firm during uncertain times and appreciates the continued support of the Hawaii State Legislature.

Thank you for this opportunity to testify.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

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PETER GANABAN

Laborers' International Union of
North America Local 368

VAUGHN CHONG

Roofers, Waterproofers & Allied
Workers United Union of Roofer
Local 221

March 23, 2010

Honorable Representative Marcus R. Oshiro, Chair
Honorable Representative Marilyn B. Lee, Vice Chair
Members of the House Committee on Finance
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT** OF **SB 2544, SD2**
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
TO ASSIST HONOLULU SEAWATER AIR CONDITIONING

Dear Chair Oshiro, Vice Chair Lee and the Committee on Finance

For the Record my name is Buzz Hong, the Executive Director for the Hawaii Building & Construction Trades Council, AFL-CIO. Our Council is comprised of 16- construction unions and a membership of 26,000 statewide.

The Council SUPPORTS the passage of **SB 2544, SD2** that extends the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning LLC.

Thank you for the opportunity to submit this testimony in support of **SB 2544, SD2**.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/kb