

HAWAII RENEWABLE ENERGY ALLIANCE

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TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII
RENEWABLE ENERGY ALLIANCE BEFORE THE **SENATE COMMITTEE ON
WAYS AND MEANS**

**SB 2544 SD1, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE
REVENUE BONDS TO ASSIST HONOLULU SEAWATER AIR CONDITIONING
LLC PROJECTS ON THE ISLAND OF OAHU**

February 22, 2010

Chair Kim, Vice-Chair Tsutsui 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 2544 SD1** 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.