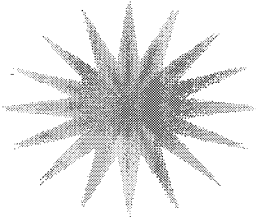


SB 392



Honolulu Seawater Air Conditioning, LLC

Affiliate of Renewable Energy Innovations, LLC, the COOL GREEN & CLEAN™ Company

7 Waterfront Plaza, Suite 407, 500 Ala Moana Boulevard, Honolulu HI 96813
Tel 808.531.7922 Fax 808.531.7923 www.honoluluswac.com

Testimony on

S.B. NO. 392 -

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

Before the

Senate Committee on Energy and Environment
Tuesday, February 17, 2009, 2:45 p.m., Conference Room 225

By

Anders Rydaker
Honolulu Seawater Air Conditioning, LLC

Good morning Chair Gabbard, Vice Chair English, and members of the Committee. My name is Anders Rydaker and I am testifying on behalf of Honolulu Seawater Air Conditioning, LLC (HSWAC).

Honolulu Seawater Air Conditioning, LLC (HSWAC) strongly supports S.B 392, 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 Renewable Energy Innovations LLC, of St. Paul, Minnesota. REI has more than twenty years experience in operating district energy 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.

HSWAC first began preliminary work on the Downtown Honolulu Project in November 2003, and has made significant progress since then. Construction is scheduled to begin the fourth quarter of 2009.

The legislature authorized \$32 million in SPRBs in 2004, and an additional \$68 million in subsequent years, and for this project. This bill extends the 2004 authorization to issue the initial \$32 million in SPRBs, for this Project, from 2009 to 2014.

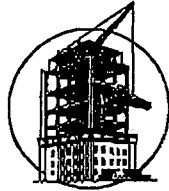
The balance of Downtown Honolulu SWAC Project funding will come from taxable bonds and private-sector equity investment.

Permitting, environmental impact assessment studies, detailed design, and other factors have taken additional time and have led to the need for HSWAC to request an extension of this authorization.

The requested SPRBs are a critical element of our financial framework 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 BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

GENTRY PACIFIC DESIGN CENTER, STE. 215A • 560 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
(808) 524-2249 • FAX (808) 524-6893

NOLAN MORIWAKI

President

Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement
Masons Local 630

JOSEPH O'DONNELL

Vice President

Iron Workers Local 625

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Elevator Constructors Local 128

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Drywall, Tapers, & Finishers
Local 1944

RICHARD TACGERE

Glaziers, Architectural Metal &
Glassworkers Local Union 1889

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

MARY AYCOCK

Boilermakers, Ironship Builders
Local 627

LYNN KINNEY

District Council 50
Painters & Allied Trades
Local 1791

ALANI MAHOE

Paneling Engineers Local 3

EDWARD SEBRESOS

International Assoc. of
Heat & Frost Insulators
Allied Workers Local 132

February 16, 2009

Honorable Senator Mike Gabbard, Chair
Honorable Senator J. Kalani English, Vice Chair
Members of the Senate Committee on Energy and Environment
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF SB 392**
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE
BONDS TO ASSIST HONOLULU SEAWATER AIR CONDITIONING
PROJECTS ON OAHU.
Hearing: Tuesday, February 17, 2009, 2:45 p.m., Room 225

Dear Chair Gabbard, Vice Chair English, and the Senate Committee on
Energy and Environment:

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 **SB392** that extends 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.

Thank you for the opportunity to submit this testimony in support
of **SB392**.

Sincerely,

W. Hong dg

William "Buzz" Hong
Executive Director

WBH/dg

HAWAII RENEWABLE ENERGY ALLIANCE

46-040 Konane Place #3816, Kaneohe, HI 96744 – Telephone/FAX: 247-7753 – Email: wsb@lava.net

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President
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Directors

Warren S. Bollmeier II
WSB-Hawaii

John Crouch
PowerLight Corporation

Cully Judd
Inter Island Solar Supply

Herbert M. (Monty) Richards
Kahua Ranch Ltd.

TESTIMONY OF WARREN BOLLMEIER ON BEHALF OF THE HAWAII RENEWABLE ENERGY ALLIANCE BEFORE THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

SB 392, RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST HONOLULU SEAWATER AIR CONDITIONING, LLC PROJECTS ON OAHU.

February 17, 2009

Chair Gabbard, Vice-Chair English and members of the Committee, I am Warren Bollmeier, testifying on behalf of the Hawaii Renewable Energy Alliance (HREA). HREA is a nonprofit corporation in Hawaii, established in 1995 by a group of individuals and organizations concerned about Hawaii's energy future. HREA's 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 HREA's 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 SB 392 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.

HREA **strongly supports** this bill for the following reasons:

- (1) Honolulu Seawater Air Conditioning, LLC (HSWAC). HSWAC is a member of HREA and is in the process of developing two renewable energy seawater air conditioning district cooling systems on Hawaii. Passage of this legislation would help facilitate the financing of the proposed downtown Honolulu system and reduce the overall costs to install the system. This, in turn, will allow HSWAC to offer lower prices for supplying chilled water to their customers; and
- (2) Contributions to our state RPS. Finally, this bill supports our state RPS and the Hawaii Clean Energy Initiative, as HSWAC's planned downtown Honolulu project will displace a portion of the utility electricity needed to cool buildings on Oahu. Specifically, this system will supply on the order of 25,000 tons of air conditioning capacity, which is approximately equivalent to an electrical load of 15 MW (capacity) and 63,000 MWh/year (electricity); and
- (3) Additional Time is Needed. HSWAC has made good progress in developing its downtown Honolulu project, including preparing and issuing its draft EIS on the project in October 2008, marketing its system to potential customers and working to secure financing for the project. However, additional time is needed to complete these tasks, and HREA respectfully requests that the Committee pass out this bill.

Thank for this opportunity to testify.