

STAND. COM. REP. NO.

126

Honolulu, Hawaii

FEB 14 2011

RE: S.B. No. 1476  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred S.B. No. 1476 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST BIOENERGY HAWAII, LLC,"

begs leave to report as follows:

The purpose and intent of this measure is to issue special purpose revenue bonds to assist BioEnergy Hawaii, LLC, establish a cogeneration facility and related energy production facilities for electrical output or biofuels energy, or both.

Your Committee received testimony in support of this measure from Al Lardizabal, Hawaii Laborers' Union; Dante Carpenter, Pacific Waste, Inc.; and Guy Kaniho, BioEnergy Hawaii, LLC. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

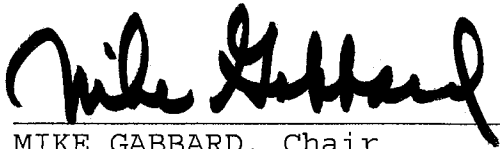
Your Committee finds that it is in the public interest to encourage the development of cogeneration facilities that make energy available to members of the public by the sale of electricity or biofuels, or both, to an electric utility or refinery, or both, that serves the area in which the facility is located. Your Committee recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects and that BioEnergy Hawaii, LLC, may have to consult with a bond counsel firm to determine if the project may qualify for the full amount of tax-exempt financing.



Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 1476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1476, S.D. 1, 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



