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## A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WITH THE PLANNING, DESIGN, CONSTRUCTION, EQUIPPING, LAND LEASES, AND OTHER TANGIBLE ASSETS FOR A RENEWABLE ENERGY PROJECT WITH ENERGY STORAGE TECHNOLOGY ON THE ISLAND OF MOLOKAI.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that support for the  
2 development of renewable energy projects in Hawaii, which is  
3 geographically isolated from sources of oil, continues to be in  
4 the public interest. This is especially true given the high  
5 cost of electricity in Hawaii, particularly on the island of  
6 Molokai.

7           The legislature further finds that Princeton Energy Group  
8 is engaged in the planning, design, and construction process to  
9 develop a multi-megawatt renewable energy project with energy  
10 storage technology near Kaunakakai to exclusively serve the  
11 island of Molokai.

12           The issuance of special purpose revenue bonds and refunding  
13 special purpose revenue bonds under this Act to assist Princeton  
14 Energy Group in the planning, design, and construction of its  
15 renewable energy project will make the development of such a  
16 project more economically feasible and provide numerous



1 benefits. Among other benefits, it is expected that such a  
2 project will:

- 3 (1) Eliminate or greatly reduce the carbon footprint of  
4 the island of Molokai;
- 5 (2) Provide substantial energy cost savings to the  
6 residents and businesses on the island of Molokai;
- 7 (3) Stabilize the electrical grid on the island of  
8 Molokai;
- 9 (4) Extend the life of existing electrical equipment on  
10 the island of Molokai;
- 11 (5) Increase the robustness of electrical service on the  
12 island of Molokai in the event of an emergency;
- 13 (6) Generate millions of dollars in construction project  
14 spending and also create long-term jobs on the island  
15 of Molokai; and
- 16 (7) Help the State, counties, and federal government meet  
17 their goals to reduce their consumption of fossil  
18 fuels and mandates for renewable energy.

19 The legislature finds and declares that the issuance of  
20 special purpose revenue bonds under this Act is in the public  
21 interest and for the public health, safety, and general welfare.



1 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised  
2 Statutes, the department of budget and finance, with the  
3 approval of the governor, is authorized to issue special purpose  
4 revenue bonds in a total amount not to exceed \$50,000,000 in one  
5 or more series, for the purpose of assisting Princeton Energy  
6 Group, a Nevada limited liability company, or Princeton Energy  
7 Group's related entity, Ikehu Molokai LLC, in financing and  
8 refinancing the costs relating to the planning, designing,  
9 construction, equipping, land leases, and other tangible assets  
10 for a renewable energy project with energy storage technology.  
11 The legislature hereby finds and determines that the  
12 construction of a renewable energy project with energy storage  
13 technology constitutes a project as defined in part V, chapter  
14 39A, Hawaii Revised Statutes, and the financing thereof is  
15 assistance to an industrial enterprise.

16 SECTION 3. The special purpose revenue bonds and the  
17 refunding special purpose revenue bonds issued under this Act  
18 shall be issued pursuant to part V, chapter 39A, Hawaii Revised  
19 Statutes, relating to the power to issue special purpose revenue  
20 bonds to assist industrial enterprises.

21 SECTION 4. The department of budget and finance is  
22 authorized, from time to time, including times subsequent to



1 June 30, 2019, to issue special purpose revenue bonds in  
2 whatever principal amounts the department shall determine to be  
3 necessary to refund the special purpose revenue bonds authorized  
4 in section 2 and to refund special purpose revenue bonds  
5 authorized in this section, regardless of whether the  
6 outstanding special purpose revenue bonds or refunding special  
7 purpose revenue bonds have matured or are the subject of  
8 redemption or whether the refunding special purpose revenue  
9 bonds shall be bonds for the multi-project programs described in  
10 section 2. In making this determination, the department shall  
11 comply with federal law relating to the exemption from federal  
12 income taxation of the interest on bonds of the nature  
13 authorized by this section.

14 SECTION 5. The authorization to issue special purpose  
15 revenue bonds under this Act shall lapse on June 30, 2019.

16 SECTION 6. This Act shall take effect on July 1, 2014.



**Report Title:**

Special Purpose Revenue Bonds; Princeton Energy Group or Related Special Purpose Entity; Renewable Energy Project; Energy Storage Technology

**Description:**

Authorizes the issuance of special purpose revenue bonds to assist Princeton Energy Group or Princeton Energy Group's related entity, Ikehū Molokai LLC, with the financing and refinancing costs relating to the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai. (HB1942 CD1)

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