
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 revenue bonds under this Act to assist Princeton Energy
14 Group in the planning, design, and construction of its renewable
15 energy project will make the development of such a project more



1 economically feasible and provide numerous benefits. Among
2 other benefits, it is expected that such a 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 a special purpose
7 entity established for the purpose of constructing the renewable
8 energy project with energy storage technology on Molokai, in
9 financing and refinancing the costs relating to the planning,
10 designing, construction, equipping, land leases, and other
11 tangible assets for a renewable energy project with energy
12 storage technology. The legislature hereby finds and determines
13 that the construction of a renewable energy project with energy
14 storage technology constitutes a project as defined in part V,
15 chapter 39A, Hawaii Revised Statutes, and the financing thereof
16 is assistance to an industrial enterprise.

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



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

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

18 SECTION 6. This Act shall take effect on July 1, 2050.



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 a related special purpose entity with the financing of the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai. Takes effect 7/1/2050.
(SD1)

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