

JAN 23 2014

A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST ANAERGIA INC.

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 and efficient energy systems in the
3 State, which is geographically isolated from sources of oil,
4 continues to be in the public interest. Anaergia Inc. is a
5 global leader in offering sustainable solutions for the
6 generation of renewable energy and the conversion of waste to
7 resources.

8 Anaergia Inc. proposes to build, own, and operate a
9 material recovery facility to recover recyclable materials like
10 plastic, paper, and glass; an anaerobic digester to convert
11 organics like municipal sludge and food waste to renewable
12 natural gas and compost; and a facility to convert energy crops
13 into renewable natural gas or renewable electricity. These
14 facilities will contribute to the State's energy security,
15 reduce the carbon footprint by the equivalent of 33,000 cars,
16 reduce the State's municipal solid waste, put to use



1 approximately one thousand eight hundred acres of fallow lands,
2 and create up to sixty new jobs.

3 The legislature further finds that the benefits of the
4 development of such facilities include the following:

- 5 (1) Reduction of greenhouse gas emissions;
- 6 (2) Reduction of landfill waste streams;
- 7 (3) Reduction of transportation and disposal costs;
- 8 (4) Creation of local technical and semi-technical jobs;
- 9 (5) Production of renewable energy for local communities,
10 which reduces Hawaii's net import of energy and
11 increases Hawaii's domestic wealth, self-sufficiency,
12 and energy security;
- 13 (6) Assistance to meet Hawaii's renewable energy goals;
- 14 (7) Containment of dust clouds on fallow lands; and
- 15 (8) Alleviation of R-1 water reuse issues.

16 The legislature further finds that Anaergia Inc.'s work in
17 creating alternative energy for the State is an industrial
18 enterprise defined in part V, chapter 39A, Hawaii Revised
19 Statutes, and may be assisted through the issuance of special
20 purpose revenue bonds. The legislature finds and declares that
21 the issuance of special purpose revenue bonds under this Act is



1 in the public interest and for the public health, safety, and
2 general welfare.

3 The purpose of this Act is to issue special purpose revenue
4 bonds to assist Anaergia Inc. with the development of facilities
5 for renewable non-fossil fuel energy production on the island of
6 Maui.

7 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
8 Statutes, the department of budget and finance, with the
9 approval of the governor, is authorized to issue special purpose
10 revenue bonds in a total amount not to exceed \$150,000,000, in
11 one or more series, for the purpose of assisting Anaergia Inc.,
12 or a partnership in which Anaergia Inc. is a general partner,
13 with the establishment of energy production, waste recovery, and
14 related facilities on the island of Maui. The electrical output
15 of these facilities shall be made available for use by members
16 of the general public by sale to electric utilities serving the
17 public.

18 The legislature hereby finds and determines that Anaergia
19 Inc.'s planning, design, and construction of a material recovery
20 facility, an anaerobic digester, and a facility to convert
21 energy crops into renewable natural gas or renewable electricity
22 constitute a project as defined in part V, chapter 39A, Hawaii



1 Revised Statutes, and the financing thereof is assistance to an
2 industrial enterprise.

3 SECTION 3. The special purpose revenue bonds and the
4 refunding special purpose revenue bonds issued under this Act
5 shall be issued pursuant to part V, chapter 39A, Hawaii Revised
6 Statutes, relating to the power to issue special purpose revenue
7 bonds to assist industrial enterprises.

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



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

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

4 INTRODUCED BY:

Mohammed J. Alani

Michelle Sedani

JW

Farah E. Ghosh

Rang H. Bok

David Y. Lee

Shannon Chun Oakland

Mike Gettard

P

Will Zuo



S.B. NO. 3008

Report Title:

Special Purpose Revenue Bonds; Renewable Energy; Anaergia Inc.

Description:

Authorizes the issuance of special purpose revenue bonds to assist Anaergia Inc. with the development of facilities for renewable non-fossil fuel energy production in Maui.

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