

STAND. COM. REP. NO. 2400

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 2756  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2756 entitled:

"A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR THE PROCESSING OF SEWAGE INTO SEWAGE DERIVED FUEL,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist a processing enterprise to process sewage to create sewage derived fuel.

Your Committee received testimony in support of this measure from LYON Associates, Inc., and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the growth of the State's population increases the amount of sewage. Waste treatment is becoming increasingly expensive for the State and the counties.

The current technology of burning fossil fuels to produce electricity contributes immensely to climate change and global warming. An alternative technology processes sewage by drying it and extracting solids therefrom to produce a product that can be burned to produce energy. The energy produced in this manner is environmentally friendly and renewable.



Your Committee requests that the applicant of the special purpose revenue bonds submit to your Committee by April 11, 2014, copies of letters from the Department of Business, Economic Development, and Tourism and Department of Budget and Finance stating that the agencies have received and reviewed the applicant's business plan; provided that the agencies are not required to give approval or render a conclusion in the letter.

Your Committee has amended this measure by:

- (1) Specifying that the Department of Budget and Finance is authorized to issue special purpose revenue bonds to assist Clean Communities, LLC, a Hawaii limited liability company;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments 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. 2756, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2756, 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



