

SB 2755

Measure Title: AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR PACIFIC POWER GROUP, LLC, A UTILITY SERVING THE GENERAL PUBLIC IN PROVIDING ELECTRIC ENERGY.

Report Title: SPRB; Pacific Power Group, LLC (\$)

Description: Authorizes the issuance of special purpose revenue bonds to assist Pacific Power Group, LLC, to assist a utility serving the general public in providing electric energy enterprises

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON ENERGY AND ENVIRONMENT, AND
COMMERCE AND CONSUMER PROTECTION
ON
SENATE BILL NO. 2755

February 4, 2014

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
PACIFIC POWER GROUP, LLC, A UTILITY SERVING THE GENERAL PUBLIC IN
PROVIDING ELECTRIC ENERGY

Senate Bill No. 2755, authorizes the issuance of special purpose revenue bonds (SPRB) to assist Pacific Power Group, LLC, a utility serving the general public in providing electric energy, to install renewable energy projects in Hawaii pursuant to Part IV, Chapter 39A, Hawaii Revised Statutes.

The Department would like to advise the Legislature and prospective issuers that should the legislation be approved, approval of SPRB issuance will still require further discussion and satisfactory review of the financing components involved in the transaction.

Thank you for the opportunity to provide testimony on this measure.



LIFE OF THE LAND

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COMMITTEE ON ENERGY AND ENVIRONMENT

Senator Mike Gabbard, Chair
Senator Russell E. Ruderman, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair

DATE: Tuesday, February 04, 2014

TIME: 2:45 p.m.

PLACE: Conference Room 225

Re: SB 2755 re Pacific Power Group SPRBs **PLEASE TEMPORARILY DEFER**

Aloha Chairs Gabbard and Baker, Vice Chairs Ruderman and Taniguchi, and Members of the Committees

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for four decades. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Our testimony is confined strictly to process.

Our concern is not confined to this bill. As we have done in the past in similar circumstances, we feel the need to testify today.

We note that Pacific Power Group, LLC is co-managed by Ken K. Hayashida, P.E.

Nearly two decades ago Mr. Hayashida founded the structural engineering firm of KAI Hawaii, Inc. He is the President and Principal Engineer.

Mr. Hayashida was named 2007 Engineer of the Year by the Hawaii Society of Professional Engineers.

KAI Engineering was involved in numerous energy related projects including Hawaii Bio Energy, HPOWER, La Ola Solar Farm and the HECO Dispatch Center.

Our issue is on process.

On Wednesday January 15, 2014 Pacific Power Group registered with the Hawai'i Department of Commerce and Consumer Affairs (DCCA) Business Registration Division (BREG).¹

On Thursday, January 16, 2014, HB1730 was introduced in the House. On Friday January 17, 2014, SB 2755 passed first reading.

These bill authorizes Pacific Power Group to **one eight of a billion dollars** in Special Purpose Revenue Bonds.

The bills state "Pacific Power Group, LLC, has considerable experience in installing renewable energy projects using special purpose revenue bonds as a financing instrument."

The only Senate hearing with oral testimony occurs on February 4, 2014 at a time when the company is less than three weeks old.

The public has a right to testify but would have no idea what they were testifying on.

Missing from all public files is why Pacific Power Group wants \$125,000,000.00.

Life of the Land strongly supports SPRB bills having sufficient detail so that the public can meaningfully participate.

We ask that the hearing be rescheduled after the public has been notified on what Pacific Power Group wants to do with the money.

We do note that that in previous years, committees have agreed to defer pending disclosure.

Mahalo

Henry Curtis
Executive Director

¹ <http://hbe.ehawaii.gov/documents/business.html?fileNumber=113113C5>

SB2755

Submitted on: 1/29/2014

Testimony for ENE/CPN on Feb 4, 2014 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Ed Wagner	Individual	Oppose	No

Comments: ENE/CPN Committee Members, What you are doing with this bill will NEVER hold up in a court of law. It is ILLEGAL. You are circumventing the competitive bidding process just like the utility monopoly.