

JAN 27 2016

A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PQ ENERGY LLC.

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 fossil fuels,
4 continues to be in the public interest. PQ Energy LLC offers
5 sustainable solutions for the generation of renewable energy and
6 waste management through the development of renewable energy
7 plants. PQ Energy LLC's plants will use a proven gasification
8 solution and other renewable energy applications to convert bio
9 matter and other renewable energy resources into clean and
10 renewable baseload and on-demand energy. These systems will
11 aide the State in meeting its goal of achieving a one hundred
12 per cent renewable standard by 2045 and will assist the counties
13 and commercial sector by providing a cheaper and environmentally
14 sound alternative to landfilling and processing waste and bio
15 matters. The development of these renewable energy plants
16 contribute to the State's energy security, reduce the State's



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1 carbon footprint, reduce the environmental impact of landfilling
2 waste, and add living wage jobs to the State's economy.

3 The legislature further finds that the benefits of the
4 development of renewable energy plants include the following:

- 5 (1) Reduction of greenhouse gas emissions;
- 6 (2) Reduction of landfill waste streams;
- 7 (3) Reduction of 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; and
- 13 (6) Assistance to meet Hawaii's renewable energy goals.

14 The legislature further finds that PQ Energy LLC's work in
15 creating alternative energy for the State is an industrial
16 enterprise, its development of renewable energy plants is a
17 project as defined in part V, chapter 39A, Hawaii Revised
18 Statutes, and the project may be assisted through the issuance
19 of special purpose revenue bonds.

20 The purpose of this Act is to authorize the issuance of
21 special purpose revenue bonds to assist PQ Energy LLC, through



1 the special purpose entities to be formed by it, to develop PQ
2 Energy LLC projects, in fulfilling the purpose of this Act,
3 which is the development of renewable energy plans within the
4 State of Hawaii.

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

8 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
9 Statutes, the department of budget and finance, with the
10 approval of the governor, is authorized to issue special purpose
11 revenue bonds in a total amount not to exceed \$63,000,000, in
12 one or more series, for the purpose of assisting PQ Energy LLC,
13 a limited liability corporation, and its special purpose
14 entities in the development of renewable energy plants within
15 the State of Hawaii. The electrical output of these facilities
16 shall be made available for use by members of the general public
17 by sale to electric utilities serving the general public or by
18 sale to federal, state, or county agencies in the State of
19 Hawaii. The legislature hereby finds and determines that the
20 establishment of renewable energy plants developed by PQ Energy
21 LLC and its special purpose entities constitute a project as



1 defined in part V, chapter 39A, Hawaii Revised Statutes, and the
2 financing thereof is assistance to an 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 July 1, 2016, to issue special purpose revenue bonds in whatever
11 principal amounts the department shall determine to be necessary
12 to refund the special purpose revenue bonds authorized in
13 section 2 and to refund special purpose revenue bonds authorized
14 in this section, regardless of whether the outstanding special
15 purpose revenue bonds or refunding special purpose revenue bonds
16 have matured or are the subject of redemption or whether the
17 refunding special purpose revenue bonds shall be bonds for the
18 multi-project programs described in section 2. In making this
19 determination, the department shall comply with federal law
20 relating to the exemption from federal income taxation of the
21 interest on bonds of the nature authorized by this section.



1 SECTION 5. The authorization to issue special purpose
2 revenue bonds under this Act shall lapse on June 30, 2021.

3 SECTION 6. This Act shall take effect on July 1, 2016.

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INTRODUCED BY: A. Kalani English



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Report Title:

Waste-to-energy Power; Renewable Energy; Sustainable Energy;
Waste Management; Clean Energy; PQ Energy LLC; Special Purpose
Revenue Bonds; Appropriation

Description:

Authorizes the issuance of special purpose revenue bonds to assist PQ Energy LLC and to be formed special purpose entities with the development and construction of renewable energy plants within the State of Hawaii.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

