

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 618

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 618 entitled:

"A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the Department of Budget and Finance's authorization to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, from June 30, 2015, to June 30, 2020.

Your Committee received written comments in support of this measure from Honolulu Seawater Air Conditioning, Ulu pono Initiative, Blue Planet Foundation, and one individual.

Your Committee finds that due to the geographic isolation of the State, the development and support of efficient energy systems is of public interest. Traditional electric air conditioning is not an efficient means of cooling structures as it consumes a large amount of energy. In 2007, the Legislature authorized the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning for the development of seawater air conditioning systems on Oahu. Disruptions in financial markets and regulatory delays have postponed the earlier sale of special purpose revenue bonds, and the authorization is set to expire on June 30, 2015. Extending the authorization for the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, will allow the company to complete the design and construction of a seawater air conditioning cooling system project on Oahu.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 618 and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



