

HAWAII RENEWABLE RESOURCES, LLC

March 2, 2016

TESTIMONY IN SUPPORT OF
HB 2593 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
FOR
HAWAII RENEWABLE RESOURCES, LLC.

Good Morning Chair Luke and members of the Committee on Finance. My name is Paul Tower, President of Hawaii Renewable Resources, LLC. We are in strong support of HB 2593 which will assist in restoration of local farming, food production and renewable energy.

The revenue bond will help to construct a facility to reprocess food and green materials into animal feeds, electricity and renewable natural gas. Recovered water and soil compost will be provided to farmers on Oahu as part of the produced items.

Standard accepted technologies will be used to produce certified animal feeds needed in local pig, fish and chicken farming throughout the state.

We ask for your support and favorable passage of HB 2593. Thank you.

DAVID Y. IGE
GOVERNOR



WRITTEN ONLY

WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
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**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2593, H.D. 1**

**MARCH 2, 2016
11:00 A.M.**

**AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
HAWAII RENEWABLE RESOURCES, LLC**

House Bill No. 2593, H.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to provide financing to assist Hawaii Renewable Resources, LLC, with the development of facilities for food crop, animal feed, and renewable non-fossil fuel production on Oahu pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of the SPRB issuance will require further discussion and satisfactory credit underwriting review of the financing components with respect to any proposed financing.

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

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



JAMES J. NAKATANI
Executive Director

STATE OF HAWAII
AGRIBUSINESS DEVELOPMENT CORPORATION
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**TESTIMONY OF JAMES J. NAKATANI
EXECUTIVE DIRECTOR
AGRIBUSINESS DEVELOPMENT CORPORATION**

BEFORE THE COMMITTEE ON FINANCE

Wednesday, March 2, 2016
11:00 a.m.

**HOUSE BILL NO. 2593 H.D. 1
AUTHORIZE THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS
FOR HAWAII RENEWABLE RESOURCES, LLC.**

Chairperson Luke and Members of the Committee:

My name is James Nakatani, Executive Director of the Agribusiness Development Corporation (“ADC”). The ADC supports House Bill No. 2593 H.D. 1 which authorizes the issuance of special purpose revenue bonds for Hawaii Renewable Resources, LLC.

The ADC is an attached agency to the Hawaii Department of Agriculture (“HDOA”) tasked with transitioning fallow plantation land into cropland to provide business opportunities for local diversified agriculture operations, and addressing roadblocks that affect today’s and tomorrow’s agriculture industry through research and development partnerships.

One of the challenges the Hawaii agriculture industry is facing today is the skyrocketing cost of imported feed. The proposed project of Hawaii Renewable Resources seeks to help the State address this bottleneck by developing a

specialized facility on Oahu that converts food waste and green agriculture crop into animal feeds and renewable energy.

In diversified agriculture operations alone, roughly 30 percent of crops grown do not reach the marketplace which means the farmer receives zero revenue for 30 percent of his or her harvest. “Zero waste” and “closed-loop” facilities such as the one in Hawaii Renewable Resources’ proposal uses forward-thinking technology that can repurpose, reuse, or recycle these agriculture culls and waste that otherwise would be thrown away.

The ability to reuse agricultural waste and source feed locally will revolutionize the agriculture industry. In addition to the impact it will have on agriculture, the benefits and cost savings will present economic opportunities to an array of agriculture-related operations and businesses.

Thank you for the opportunity to testify.



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Testimony of ERIK KVAM

Director of Renewable Energy Action Coalition of Hawaii

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**In SUPPORT of HB 2593 AUTHORIZING THE ISSUANCE OF SPECIAL
PURPOSE REVENUE BONDS FOR HAWAII RENEWABLE RESOURCES, LLC**

**Before the
HOUSE COMMITTEE ON FINANCE**

Wednesday, March 2, 2016 11:00 a.m.

Aloha, Chair Luke, Vice-Chair Nishimoto and members of the Committee.

My name is Erik Kvam. I am a Director of Renewable Energy Action Coalition of Hawaii (REACH). REACH is a trade association whose vision is a Hawaiian energy economy based 100% on renewable sources indigenous to Hawaii.

REACH SUPPORTS HB 2593.

Through the use of special purpose revenue bonds, Hawaii Renewable Resources, LLC will provide the public with energy security benefits and environmental preservation benefits of renewable energy and food crop and animal feed production from sources indigenous to Oahu, without investment or risk to the State or counties.

Thank you for allowing me to testify.

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lt. Governor



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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson



TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON FINANCE

March 2, 2016
11:00 A.M.
CONFERENCE ROOM 308

HOUSE BILL NO. 2593 HD1
AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
HAWAII RENEWABLE RESOURCES, LLC

Chairperson Luke and Members of the Committee:

Thank for the opportunity to testify on House Bill No. 2593 HD1 authorizing the issuance of special purpose revenue bonds for Hawaii Renewable Resources, LLC. The bill will provide bond funding for a material reprocessing facility, a closed-loop renewable and sustainable facility, a digester system, processing equipment for food and waste conversion to natural gas, processing equipment for feed development for pig and fish from food waste, production of soil amendment compost, recovery and use of carbon dioxide from renewable natural gas production for use as a plant nutrient, recovery of water for purification and use for farm crop irrigation, and production of solar electricity for facility use and cooling system. The Department supports this bill provided that it does not impact the priorities established in the Department's executive budget.

Thank you for the opportunity to testify on this measure.

