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**TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 801, H.D. 1, S.D. 1**

March 28, 2016
9:15 A.M.

**AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR
SUNSTRONG LLC, A RENEWABLE ENERGY DEVELOPER SERVING THE
GENERAL PUBLIC IN PROVIDING ELECTRIC ENERGY**

House Bill No. 801, H.D. 1, S.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to provide financing to assist SunStrong LLC, a renewable energy developer, for the provision of electric energy and installation of renewable energy projects in Hawaii pursuant to Part VI, Chapter 39A, Hawaii Revised Statutes.

The Department has comments on this bill. The Department is unclear as to whether the SPRB can be issued pursuant to Part VI, Chapter 39A, HRS, which authorizes SPRBs for utilities serving the general public in providing electric energy, gas, or telecommunications. SunStrong LLC should seek further guidance or clarification from their counsel as to the appropriate HRS citation.

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.