

WRITTEN ONLY

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION  
ON  
SENATE BILL NO. 1042, S.D.1

March 19, 2015  
8:30 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

Senate Bill No. 1042, S.D.1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) 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 V, Chapter 39A, Hawaii Revised Statutes (HRS).

The Department is providing comments only to advise the Legislature and prospective SPRB parties that should the legislation be approved, approval of 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.

Executive Centre  
1088 Bishop Street, Penthouse  
Honolulu, Hawaii 96813  
(808) 372-4811 (808) 523-0000 facsimile  
Email: [Hawaiiwind@aol.com](mailto:Hawaiiwind@aol.com)

**SunStrong LLC**

**LATE**

WRITTEN ONLY

TESTIMONY BY BRIAN M. HAYASHIDA  
CHIEF EXECUTIVE OFFICER, SUNSTRONG LLC  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON SENATE BILL NO. 1042

FEBRUARY 27, 2015

1:00 P. M.

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

SunStrong LLC (“SunStrong”) is requesting that a technical change be made to SB 1042. The applicable citation in the Hawaii Revised Statutes for its renewable energy project is **Part V, Chapter 39A**. The current language in Bill 1042 refers to Part VI, Chapter 39A, which is not applicable as SunStrong is not a public utility, but instead an industrial enterprise. Please also eliminate any other references in Bill 1042 to SunStrong being a public utility.

Additionally, please be informed that SunStrong commenced discussions with the State of Hawaii Department of Hawaiian Home Lands for acreage to install a second solar farm. Therefore, SunStrong is requesting that Bill 1042 be amended to a total amount not to exceed **\$100,000,000** that would assist SunStrong serve the general public by providing renewable electric energy and installing renewable energy projects in Hawaii.

Thank you for allowing SunStrong to provide testimony on this measure.

Executive Centre  
1088 Bishop Street, Penthouse  
Honolulu, Hawaii 96813  
(808) 372-4811 (808) 523-0000 facsimile  
Email: [Hawaiiwind@aol.com](mailto:Hawaiiwind@aol.com)

The logo for SunStrong LLC is displayed in white text on a black rectangular background. The text "SunStrong" is in a bold, sans-serif font, and "LLC" is in a slightly smaller, regular weight of the same font.

## COMPANY INFORMATION

SunStrong LLC (“SunStrong”) is a special purpose entity operating with a mission of developing solar, wind, and related renewable energy projects in the Pacific Basin. One of its founding members, Brian M. Hayashida, has 30 years of experience in wind and solar project development and finance. In 1987, as president of Imua Kamakani Corporation, the managing partner of Kamaoa Wind Energy Partners, Hawaii’s first modern-day, utility-scale wind energy project was installed at South Point, island, county, and state of Hawaii. The Kamaoa Wind Farm Project was the first public-financed project in the U. S. when it floated special purpose revenue bonds for the debt portion of the project. SunStrong is requesting the 28th Session of the State of Hawaii Legislature to authorize \$50,000,000 of industrial development bonds to finance the renewable projects it is currently developing.

Gary Kitahata is SunStrong’s Director of Public Finance. His company, Kitahata & Company, with offices in Hilo, Hawaii and San Francisco, California, has been involved with bond issuances since 1993. Mr. Kitahata and his firm provide a full range of advisory services on debt financing, from analyzing and exploring financing alternatives to implementing and closing both competitive and negotiated deals. Mr. Kitahata was involved with the issuance of \$12,000,000 Special Purpose Revenue Bonds in 1987 for Kamaoa Wind Energy Partners.

SunStrong’s partner for development and structured financing of its solar energy projects is OCI Company. Technical and ancillary project development expertise will be provided by an Engineering, Procurement, and Construction (“EPC”) Company, Mortenson Construction.

The combination of a Hawaii-based project development company, SunStrong, and two deep-pocket investment and technological companies make for a formidable, proven, and reliable installer of wind and solar energy projects. SunStrong has extensive experience with and knowledge of HECO and the local-Hawaiian power market, including curtailment issues, and maintains ground personnel in Hawaii.

SunStrong is excited to combine its deep experience in wind and solar project development and finance with the investment experience and resource capabilities of OCI Company and Mortenson Construction to install renewable energy projects which will contribute towards Hawaii’s clean environment.

Additionally, SunStrong is requesting that a technical change be made to Bill 801. The applicable section in the Hawaii Revised Statutes to its renewable energy project is Part V, Chapter 39A. The current language in Bill 801 refers to Part VI, Chapter 39A, which is not applicable as SunStrong is not a public utility, but instead an industrial enterprise..

Finally, please be informed that on February 25, SunStrong commenced discussions with the State of Hawaii Department of Hawaiian Home Lands for acreage to install a second solar farm. Therefore, SunStrong is requesting that Bill 801 be amended to a total amount not to exceed \$100,000,000 that would assist SunStrong serve the general public by providing renewable electric energy and installing renewable energy projects in Hawaii.

Thank you for allowing SunStrong to provide testimony on this measure.