



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2015**

ON THE FOLLOWING MEASURE:

S.B. NO. 1042, AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR SUNSTRONG LLC, A RENEWABLE ENERGY DEVELOPER SERVING THE GENERAL PUBLIC IN PROVIDING ELECTRIC ENERGY.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Friday, February 27, 2015 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): WRITTEN COMMENTS ONLY. For more information, call Deputy Attorney General Diane Erickson, 586-0618

Chair Tokuda and Members of the Committee:

The Attorney General has concerns about this bill.

This bill authorizes the issuance of \$50,000,000 in special purpose revenue bonds to assist SunStrong LLC in providing renewable electric energy and installing renewable energy projects in Hawaii. The bill provides that the special purpose revenue bonds are to be issued pursuant to part VI, chapter 39A, Hawaii Revised Statutes. Part VI of chapter 39A, at section 39A-191, defines a project party as "an electric or gas utility serving the general public and that is regulated by the public utilities commission under chapter 269, or a telecommunications carrier or telecommunications common carrier, whether or not subject to regulation by the public utilities commission under chapter 269." According to the Public Utilities Commission's website there are only four electric utilities currently regulated by the Public Utilities Commission - Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, and Kauai Island Utility Cooperative. Thus, it does not appear that SunStrong LLC qualifies as a project party under part VI of chapter 39A. However, it may qualify under some other part of chapter 39A.

Thank you for allowing us to raise our concerns.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
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

Senate Bill No. 1042 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 VI, Chapter 39A, Hawaii Revised Statutes (HRS).

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. SunStrong LLC should seek further guidance or clarification from their counsel as to the appropriate HRS citation.

In addition, the Department would like 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.

SB1042

Submitted on: 2/25/2015

Testimony for WAM on Feb 27, 2015 13:00PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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