

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. 1047, S.D.1

February 27, 2015
1:00 P.M.

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST PELATRON Q, LLC.

Senate Bill No. 1047, S.D. 1, authorizes the issuance of Special Purpose Revenue Bonds (SPRB) to assist Pelatron Q, LLC, with the development of waste-to-energy power plants in Hawaii pursuant to Part V, Chapter 39A, Hawaii Revised Statutes.

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.



**Legislative Testimony
Senate Ways and Means Committee (WAM)**

In SUPPORT of Senate Bill No. 1047 Senate Draft No. 1

Friday, February 27, 2015

1:00 p.m. Conference Room 211

Aloha Chair Tokuda, Vice Chair Kouchi, and Honorable Members of the Committee,

I am Peter Drown, Project Manager with ALQIMI Energy, a waste-to-energy project developer and partner with Pelatron Q in its efforts to deploy Solena Plasma Gasification and Vitrification ("SPGV") waste to-energy solutions in Hawaii. I STRONGLY SUPPORT Senate bill No. 1047 SD1.

Plasma gasification presents an ideal solution for Hawaii for several key reasons:

1. **Superior environmental performance** – SPGV technology offers complete recycling and reuse of waste, with a process that results in no toxic fumes, no heavy metals, dioxins, furans, or hazardous ashes. Utilizing waste for feedstock eliminates the need for landfills and reduces harmful emissions and toxins. (Methane from landfills is 23 times more potent as a greenhouse gas than CO₂.)
2. **Feedstock Flexibility** – SPGV technology uses plasma, an ionized, high temperature gas that breaks down *all* matter, both carbon-based and inert, into its elemental components. The SPGV reactor operates at a temperature around 5000° C and can effectively cause the complete disassociation of all hydrocarbon and organic materials into its elemental compounds, which in turn is converted via the patented SPGV process into a valuable fuel mainly comprised of H₂ and CO, commonly referred to as "BioSynGas", while inerts are converted to non-toxic slag, a useful construction material.
3. **Economical Systems** – As the conversion of any carbon-based material is in excess of 99%, the efficiency of these systems is very high. This is a particular benefit of the SPGV process: a highly cost-effective and technically efficient thermal de-polymerization and gasification process. Legacy incineration technologies require significant scale for project viability and extensive air pollution control systems, rendering them uneconomical and inappropriate for applications required in Hawaii.

In summary, SB1047 SD1 would enable a solution to Hawaii's growing waste management needs in an environmentally responsible manner. Thank you for allowing me to provide testimony in SUPPORT of SB1047 SD1.

Peter Drown
ALQIMI Energy
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Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

February 26, 2015

The Honorable Jill N. Tokuda, Chair
The Honorable Ronald D. Kouchi, Vice Chair
and members
Committee on Ways and Means
Hawai'i State Senate
Honolulu, Hawai'i 96813

Dear Chair Tokuda, Vice Chair Kouchi, and members:

The Hawai'i Construction Alliance is in **strong support of SB1047 SD1**, authorizing the issuance of special purpose revenue bonds to assist Pelatron Q, LLC.

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

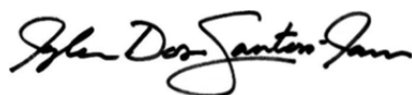
Pelatron Q, LLC is proposing to develop and construct waste-to-energy power plants utilizing unique patented plasma gasification and vitrification technology. Each of the plants will take produced municipal solid waste and other material that would otherwise end up in a landfill and convert the waste into synthetic gas to produce six to eight megawatts of clean, renewable energy.

Pelatron Q, LLC is a Hawai'i-based company with a strong commitment to ensuring that their waste-to-energy plants have positive impacts on the local community – not just by diverting municipal waste from our landfills and promoting energy security, but in creating quality jobs for local residents. To that end, we have been in productive discussions with Pelatron Q, LLC to ensure that local workers have the opportunity to construct the waste-to-energy plants and appurtenant facilities.

Additionally, we note that Pelatron Q, LLC proposes to construct a waste-to-energy plant in Kekaha, Kaua'i. Since the last recession, Kaua'i has been a challenging market for our members, many of whom are currently out-of-work. The construction of a waste-to-energy plant in Kekaha would provide our Kaua'i-based members the opportunity to put their skills to work at home on the Garden Isle.

Therefore, we strongly request your committee's **favorable consideration on SB1047 SD1**, authorizing the issuance of special purpose revenue bonds to assist Pelatron Q, LLC.

Mahalo,



Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiiconstructionalliance.org



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www.pelatron-q.com

**SENATE COMMITTEE ON WAYS AND MEANS
FRIDAY, FEBRUARY 27, 2015 | 1:00 PM | ROOM 211**

Aloha Chair Tokuda, Vice Chair Kouchi, and Honorable Senators:

Pelatron Q **STRONGLY SUPPORTS** the passage of **SB1047 SD1**, authorizing the issuance of special purpose revenue bonds to assist Pelatron Q, LLC with the development of waste-to-energy power plants in Hawai'i.

Pelatron Q is a joint venture between Solena Q and Pelatron Power Evolution that was formed with a mission of *Energizing a Green Hawai'i*. We believe in a zero-waste economy, and formed our firm with the goal of developing a clean sustainable energy source for both government and commercial organizations in the State of Hawai'i. Wedding ourselves to a triple bottom line, we were founded in part by the Pelatron Center for Economic Development (PCED), a Native Hawaiian non-profit organization that actively supports the economic welfare of Native Hawaiians through public and private educational, community and business partnerships. PCED's partnerships provide mentoring, training, business incubation and other activities that promote innovation and entrepreneurship.

Pelatron Q is developing applications of the patented Solena plasma gasification and vitrification (SPGV) process with various public and private partners. This cutting edge integration is more efficient than any biomass conversion technology on the market today. By utilizing state of the art plasma torches in a closed loop and oxygen-deprived environment, SPGV technology extracts more than 99% of all carbon in the waste stream and converts all organic materials into a bio-synthetic gas. This clean gas can be used for everything from generating electricity to making jet fuel.

Different from H-Power and other systems that *burn* trash, our integration eliminates ash and toxins as by products and with as much as four times the net energy output. Most importantly, the renewable energy which we produce is base load and dispatch power that is cheaper to make than using imported oil or liquefied natural gas. This results in an avoided cost of power generation that can be passed on to the consumer.

Currently, the firm is actively cultivating solutions on Kaua'i and O'ahu. The success of these systems will move the State closer to our goals of 70% renewable by 2030, create local ownership and control over power production, generate new jobs for Hawai'i's residents, and contribute to our overall economic and environmental independence as an Island State.

I will be available in person to address any of your questions in detail. Thank you for this opportunity to testify in support of SB1047 SD1.

Mahalo,

Kekoa McClellan
President & CEO, Pelatron Q, LLC
Kekoa.McClellan@pelatronpower.com
1.808.629.7000



Mission : To advocate, educate, and promote the benefits of zero waste to our community and leaders to achieve an Island-wide zero waste management system which conserves and diverts waste from the landfill.

[COMMITTEE ON WAYS AND MEANS](#)

Senator Jill N. Tokuda, Chair

Senator Ronald D. Kouchi, Vice Chair

DATE: Friday, February 27, 2015

TIME: 1:00 PM

PLACE: Conference Room 211

SB1047 SD1 – Special Purpose Revenue Bonds for Peletron Q

Zero Waste Kaua‘i strongly opposes this bill.

Zero Waste Kaua‘i opposes this type of legislation in general. We feel that financial support should not be provided to one vendor over another, especially when the proposed projects are currently part of County solicitations for waste management solutions.

In this case Peletron is one of 8 respondents being competitively reviewed in response to a RFI issued by Kauai County and this proposal could be seen as the State inappropriately favoring one vendor over other in what should be an open, competitive process.

If anything, if funding is to be made available for waste management solutions, it should be available for all types of proposed systems, especially those that focus on sustainable solutions to recover our limited and valuable discards rather than the destruction of valuable natural resources.

These technologies (gasification, pyrolysis, plasma arc) have actually been around for quite some time and have failed to demonstrate that they can economically manage Municipal Solid Waste. It has only been with the growing opposition to incineration that vendors have gained an audience by selling themselves as a clean, emission free solutions.

The proposed gasification / plasma solution is technologically inappropriate for Kaua‘i, There are no commercial scale facilities using their technology in the world. Pelatron Q has no track record, specifically, they have no experience in solid waste management operations.



Mission : To advocate, educate, and promote the benefits of zero waste to our community and leaders to achieve an Island-wide zero waste management system which conserves and diverts waste from the landfill.

In addition they have little or no knowledge of Federal and State environmental regulatory issues, nor the realities of contracting for, permitting and construction a waste management facility in Hawaii. Pelatron claims they can have a system up and running in 1.5 years, yet they propose to use County land (a site at the Kekaha Landfill) which would require an EIS,

They estimate a total capital cost of \$45 million, yet much simpler, comparable sized facilities have cost twice as much or more (Kaua'i Green Energy Biomass Facility).

They propose that the project would take all of the County's trash at no cost to the public or businesses (no tipping fee). If you believe that, I have a bridge in New York I'd like to sell you.

Incineration and other forms of Thermal Destruction are a disincentive to recycling and reduction and requiring the guarantee of minimal amount throughput of waste eliminate the development of new, more cost effective diversion options. The phrase "the need to feed the beast" is well known in Solid Waste Management circles.

Waste to Energy is not a sustainable solution to either our waste management problems or the Counties efforts to develop renewable energy sources. It is the lowest ranked option other than landfilling in the EPA and the State's waste management hierarchy and with Waste Reduction ranked as the preferred option, should not be considered a source of renewable energy.

Also, in the case of Pelatron, we are particularly critical of support for a technology with no proven track record, whose costs estimates are far below industry standards, and that proposes a totally unrealistic "free" solution. The legislature should realize when something seems too good to be true, it probably is.

Granting access to State backed Revenue Bonds to this vendor can be seen as State support for unsustainable, ill conceived, poorly thought out, and un-economical endeavors, and will only hamper the development of economically and environmentally viable solutions.

Please **do not pass this bill** out of committee!

**Legislative Testimony
In SUPPORT of SB1047 SD1**

RHONDA ROLDAN

**Senate Ways and Means Committee
Senator Jill Tokuda, Chair
Senator Ron Kouchi, Vice Chair**

**Friday, February 27, 2015
1:00 p.m. Conference Room 211**

Aloha Chair Tokuda, Vice Chair Kouchi, and Honorable Members of the Committee,

Thank you for this opportunity to provide testimony in SUPPORT of SB1047 SD1, authorizing the issuance of special purpose revenue bonds to assist Pelatron Q, LLC, with the development of waste-to-energy power plants in Hawaii.

Pelatron Q offers sustainable solutions for the generation of renewable energy and waste management through the development of waste-to-energy power plants. Their scalable solution utilizes the patented Solena plasma gasification and vitrification process to convert any carbonaceous matter, including municipal solid waste, plastic, rubber, agricultural waste, and industrial waste into renewable energy.

The development of these waste-to-energy power plants will contribute to the State's energy security, reduce the State's carbon footprint, reduce the environmental impact of landfilling waste, and add living-wage jobs to the State's economy.

Thank you for your consideration and the opportunity to SUPPORT SB1047 SD1.



RHONDA ROLDAN
rhondar8@gmail.com
(808)262-0017

**Legislative Testimony
In SUPPORT of SB1047 SD1**

**Wendell Jung, President
Pelatron Center for Economic Development**

**Senate Ways and Means Committee
Senator Jill Tokuda, Chair
Senator Ron Kouchi, Vice Chair**

**Friday, February 27, 2015
1:00 p.m. Conference Room 211**

Aloha Chair Tokuda, Vice Chair Kouchi, and Honorable Members of the Committee,

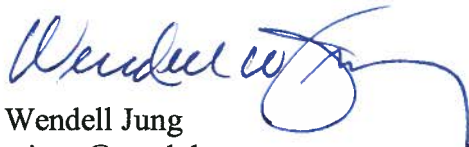
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The Pelatron Center for Economic Development (PCED) is a native Hawaiian not-for-profit corporation established to advance and promote the economic welfare of the Native Hawaiian community. PCED accomplishes these goals through public and private educational, community and business partnerships that provide mentoring, training business incubation and other innovative activities.

PCED strongly supports this waste-to-energy solution. The development of these power plants will contribute to the State's energy security, reduce the its carbon footprint, resulting in a declining dependency on landfilling waste, and add living-wage jobs to the State's economy, as well as meeting our goals to strengthen our Native communities.

Thank you for your consideration and the opportunity to SUPPORT SB1047 SD1.



Wendell Jung
wjung@pcednho.org
808-629-7016

SB1047

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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TO: Senate Ways and Means Committee
ATTN: Senator Jill Tokuda, Chair
Senator Ron Kouchi, Vice Chair

FROM: Wannette Gaylord

BILL: SB1047 SD1 **IN SUPPORT**

Aloha Chair Tokuda, Vice Chair Kouchi, and Honorable Members of the Committee,

Thank you for this opportunity to provide testimony in **SUPPORT of SB1047 SD1**, to authorize the issuance of special purpose revenue bonds to assist Pelatron Q, LLC in the development of waste-to-energy power plants in here on our island of O'ahu.

Pelatron Q offers sustainable solutions for the generation of renewable energy and waste management through the development of waste-to-energy power plants. Their scalable solution utilizes the patented Solena plasma gasification and vitrification process to convert any carbonaceous matter, including municipal solid waste, plastic, rubber, agricultural waste, and industrial waste into renewable energy.

The development of these waste-to-energy power plants will contribute to the State's energy security, reduce the State's carbon footprint, reduce the environmental impact of landfilling waste, and add living-wage jobs to the State's economy.

Mahalo for the opportunity to **SUPPORT SB1047 SD1**.

Wannette Gaylord
wannetteg@aol.com
808.227.7173

**Legislative Testimony
In SUPPORT of SB1047 SD1**

Pohai Ryan

**Senate Ways and Means Committee
Senator Jill Tokuda, Chair
Senator Ron Kouchi, Vice Chair**

**Friday, February 27, 2015
1:00 p.m. Conference Room 211**

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The development of these waste-to-energy power plants will contribute to the State's energy security, reduce the State's carbon footprint, reduce the environmental impact of landfilling waste, and add living-wage jobs to the State's economy.

Thank you for your consideration and the opportunity to SUPPORT SB1047 SD1.

Pohai Ryan
khccprez@yahoo.com
808-230-3654

**Legislative Testimony
In SUPPORT of SB1047 SD1**

Raytan Vares

Private Citizen

Senate Ways and Means Committee

Senator Jill Tokuda, Chair

Senator Ron Kouchi, Vice Chair

Friday, February 27, 2015

1:00 p.m. Conference Room 211

Aloha Chair Tokuda, Vice Chair Kouchi, and Honorable Members of the Committee,
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energy security, reduce the State's carbon footprint, reduce the environmental impact of
landfilling waste, and add living-wage jobs to the State's economy.

Thank you for your consideration and the opportunity to SUPPORT SB1047 SD1.

Raytan Vares

RaytanV@gmail.com

808-206-3908

Legislative Testimony
In SUPPORT of SB1047 SD1
Thomas Aimoku McClellan
Chief Executive Officer, Pelatron, Inc.
Senate Ways and Means Committee
Senator Jill Tokuda, Chair
Senator Ron Kouchi, Vice Chair
Friday, February 27, 2015

1:00 p.m. Conference Room 211

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Thank you for your consideration and the opportunity to SUPPORT SB1047 SD1.

Thomas Aimoku McClellan
amcclellan@pelatron.com
808-629-7001

Legislative Testimony
In SUPPORT of SB1047 SD1
Kuhio Lewis
Private Citizen
Senate Ways and Means Committee
Senator Jill Tokuda, Chair
Senator Ron Kouchi, Vice Chair
Friday, February 27, 2015
1:00 p.m. Conference Room 211

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landfilling waste, and add living-wage jobs to the State's economy.

Thank you for your consideration and the opportunity to SUPPORT SB1047 SD1.

Kuhio Lewis

Joe96817@gmail.com

808-389-2006