

**SB 1047**

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON ENERGY AND ENVIRONMENT  
ON  
SENATE BILL NO. 1047

February 10, 2015

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

Senate Bill No. 1047 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.

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**Subject:** Submitted testimony for SB1047 on Feb 10, 2015 14:45PM  
**Date:** Monday, February 09, 2015 8:31:30 PM

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**SB1047**

Submitted on: 2/9/2015

Testimony for ENE on Feb 10, 2015 14:45PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
pat gegen	Zero Waste Kauai	Oppose	No

Comments: ZWK 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. My understanding of their business plan requires that KIUC would need to provide a very Pelatron favorable PPA contract (which probably would not get PUC approval) and would most likely increase the cost of energy on Kauai. To rely on guaranteed "high" PPA is unrealistic given KIUC's recent solar installations providing power under 13 cents per kWh. Kauai Island Utility is aggressively working toward cheaper and cleaner power and is in need of quickly dispatchable power because of the large amount of solar on the system - not more base load as most "waste to energy" scenarios would require. If anything, if funding is to be made available for waste management solutions, it should be available for all proposals, especially those that focus on sustainable solutions rather than the destruction of valuable natural resources. Also, in the case of Pelatron, we are particularly critical of support for a system with no proven track record and that proposes a totally unrealistic "free" solution. Granting access to State backed Revenue Bonds can be seen as State support for unsustainable, ill conceived, poorly thought out, and un-economical endeavors.

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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# Hawai'i Construction Alliance

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

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February 9, 2015

The Honorable Mike Gabbard, Chair  
The Honorable Josh Green, Vice Chair  
and members  
Committee on Energy and Environment  
Hawai'i State Senate  
Honolulu, Hawai'i 96813

Dear Chair Gabbard, Vice Chair Green, and members:

The Hawai'i Construction Alliance is in **strong support of SB1047**, 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.

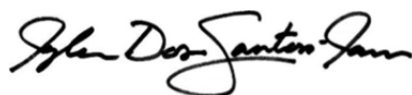
Pelatron Q, LLC is proposing to develop and construct waste-to-energy power plants utilizing unique patented plasma gasification and vitrification technology. Each of the plants will take produced municipal solid waste and other material that would otherwise end up in a landfill and convert the waste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

Testimony of Brooke Wilson  
Pacific Resource Partnership

Senate Committee on Energy and Environment  
Senator Mike Gabbard, Chair  
Senator Josh Green, Vice Chair

SB 1047 – Authorizing the Issuance of Special Purpose Revenue Bonds to Assist Pelatron Q, LLC.

Tuesday, February 10, 2015  
2:45 PM  
Conference Room 225

Dear Chair Gabbard and Vice Chair Green and members of the committee,

PRP is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.

We support SB 1047 which authorizes the issuance of special purpose revenue bonds to assist Pelatron Q, LLC, with the development of waste-to-energy power plants in Hawaii.

Hawaii imports most of our energy and most of our food. SB 1047 will allow sustainable solutions for the generation of renewable energy and waste management through the development of waste-to-energy power plants.

The State of Hawaii's goal is to meet 70% of our energy needs by 2030 through energy efficiency and renewable energy. In order to meet this goal, we must be creative in the widespread installation of green energy infrastructure equipment.

We respectfully ask for your favorable consideration of SB 1047 to demonstrate our commitment to a sustainable community in Hawaii.





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**SENATE COMMITTEE ON ENERGY AND ENVIRONMENT  
TUESDAY, FEBRUARY 10, 2015 | 2:45 PM | ROOM 225**

Aloha Chair Gabbard, Vice Chair Green, and Honorable Senators:

Pelatron Q **STRONGLY SUPPORTS** the passage of Senate Bill No. 1047, 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 is a joint venture between Pelatron Power Evolution and Solena Q, a partnership that is developing applications of the patented Solena plasma gasification and vitrification (SPGV) process in the State of Hawaii 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 Hawaii'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.

Mahalo kakou,

A handwritten signature in blue ink, appearing to read 'Kekoa McClellan', is written over a light blue horizontal line.

Kekoa McClellan  
President & CEO, Pelatron Q, LLC  
[Kekoa.McClellan@pelatronpower.com](mailto:Kekoa.McClellan@pelatronpower.com)  
1.808.629.7000

**Testimony of Gary M. Slovin  
on behalf of PVT Land Co.**

February 9, 2015

Senator Mike Gabbard, Chair  
Senator Josh Green, Vice Chair  
Senate Committee on Energy and Environment  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Re: SB 1047, Authorizing the Issuance of Special Purpose Revenue Bonds to  
Assist Pelatron Q, LLC.  
Hearing Date: February 10, 2015 at 2:45 p.m., Room 225

Dear Chair Gabbard, Vice Chair Green and Members of the Committee:

PVT Land Company submits this testimony in **support** of SB 1047, which authorizes the issuance of Special Purpose Revenue Bonds to assist Pelatron Q, LLC.

PVT supports the intent of this bill, which is to support “the development of renewable and efficient energy systems in the State.” We support the production of clean renewable energy from locally produced solid waste. We agree that the “development of 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.”

For these reasons, PVT Land Company supports SB 1047 and respectfully requests this committee to pass the measure. Thank you for the opportunity to submit this testimony.