A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO
ASSIST BIOENERGY HAWAI'I, LLC.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWA'I:

SECTION 1. The legislature finds that it is in the public interest to encourage the development of cogeneration facilities that make electric energy available to members of the general public by the sale of electric energy to an electric utility serving the area.

The legislature also finds that the benefits of the development of cogeneration facilities include:

1. Reduced greenhouse gas emissions;
2. Reduced landfill waste streams;
3. Reduced transportation and disposal costs;
4. Creation of local technical and semi-technical jobs;
   and
5. Renewable energy for local communities through distributed generations.

The legislature also finds that BioEnergy Hawai'i, LLC, is engaged in the development of a cogeneration facility project that will sell the electric energy it produces to electric
utilities serving the public, by processing non-fossil fuel
feedstock to produce electricity, and selling thermal fluid from
the process of generating electricity to private entrepreneurs.

The legislature further finds that BioEnergy Hawaii, LLC,
may be assisted through the issuance of special purpose revenue
bonds because it is an industrial enterprise pursuant to part V
of chapter 39A, Hawaii Revised Statutes.

The legislature finds and declares that the issuance of
special purpose revenue bonds under this Act is in the public
interest and for the public health, safety, and general welfare.

SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised
Statutes, the department of budget and finance, with the
approval of the governor, is authorized to issue special purpose
revenue bonds in a total amount not to exceed $100,000,000, in
one or more series, for the purpose of assisting BioEnergy
Hawaii, LLC, a Hawaii limited liability company, or a
partnership in which BioEnergy Hawaii, LLC, is a general
partner, for the establishment of a cogeneration facility and
related energy production facilities. The electrical output of
this plant and facilities shall be made available for use by
members of the general public by sale to electric utilities.

Thermal fluid output of this plant and related energy production
facilities shall be made available to existing and planned manufacturing processing entrepreneurs in the area. The legislature hereby finds and determines that the activities and facilities of BioEnergy Hawaii, LLC, constitute a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an industrial enterprise.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part V, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist industrial enterprises.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2014, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in

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section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2014.

SECTION 6. This Act shall take effect on July 1, 2090.
Report Title:
Energy; BioEnergy Hawaii, LLC; Special Purpose Revenue Bonds

Description:
Authorizes the issuance of special purpose revenue bonds to assist BioEnergy Hawaii, LLC, establish a cogeneration facility and related energy production facilities. (SD2)