

STAND. COM. REP. NO.

893

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 855
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred H.B. No. 855, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PACIFIC POWER AND WATER COMPANY, INC., IN THE DEVELOPMENT OF HYDROPOWER FACILITIES IN HAWAII, "

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Pacific Power and Water Company, Inc. with the planning, permitting, designing, construction, equipping, and operating of hydropower facilities throughout the State.

Your Committee received testimony in support of this measure from Patrick Sullivan, Pacific Power and Water Company, Inc. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that the hydropower projects for which assistance is requested will produce renewable energy, generate revenue for much needed dam maintenance and repair, generate jobs in the renewable energy sector, and reduce the State's overall dependence on fossil fuels. Your Committee also finds, however, that Pacific Power and Water Company, Inc., needs to provide clarifying information to your Committees on Energy and Environment and Ways and Means by April 15, 2011, and that this



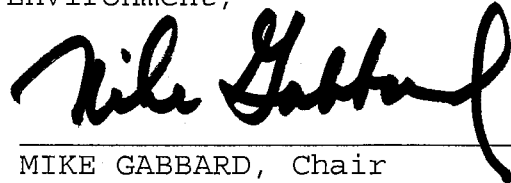
information shall include statements, without rendering opinions, from the Department of Business, Economic Development, and Tourism and the Department of Budget and Finance stating that both agencies have reviewed the project's business plan and, in the statement from the Department of Budget and Finance, that the agency has reviewed the company's financial statements. Your Committee also recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects but that Pacific Power and Water Company Inc., has indicated to the Department of Budget and Finance that they have consulted with bond counsel and believe that their project is eligible for \$25,000,000 of special purpose revenue bond financing.

Your Committee has amended this measure by:

- (1) Changing the dates in sections 4 and 5 of the measure to June 30, 2016, in order to be consistent with the usual five-year authorization for the issuance of special purpose revenue bonds;
- (2) Inserting an authorization amount of \$25,000,000; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 855, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 855, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,


MIKE GABBARD, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* HB 855, HD1	Committee Referral: ENE, WAM	Date: 3/22/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)				✓
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SLOM, Sam				✓
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes