

STAND. COM. REP. NO.

**3385**

Honolulu, Hawaii

**APR 04 2014**

RE: H.B. No. 1942  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1942, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WITH THE PLANNING, DESIGN, CONSTRUCTION, EQUIPPING, LAND LEASES, AND OTHER TANGIBLE ASSETS FOR A RENEWABLE ENERGY PROJECT WITH ENERGY STORAGE TECHNOLOGY ON THE ISLAND OF MOLOKAI,"

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 Princeton Energy Group in constructing the Ikehū Molokai Project, a renewable energy project with energy storage technology on Molokai.

Your Committee received written comments in support of this measure from the Chamber of Commerce of Hawaii, Ulupono Initiative, and Blue Planet Foundation. The Department of Budget and Finance submitted written comments.

Your Committee finds that Molokai residential electricity rates are some of the most expensive in the nation at around 46 cents per kilowatt hour. Solar and wind electricity generation on Molokai are quickly reaching production levels that cannot be handled by the existing electrical grid. The Ikehū Molokai Project will provide capacity to store excess electricity production from solar, wind, and other renewable sources, thus

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supporting the stabilization of the electrical grid, reducing Molokai's dependence on fossil fuels, decreasing Hawaii's carbon footprint, and reducing electricity rates for Molokai residents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



