A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST PQ ENERGY LLC.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that support for the development of renewable and efficient energy systems in the State, which is geographically isolated from fossil fuels, continues to be in the public interest. PQ Energy LLC offers sustainable solutions for the generation of renewable energy and waste management through the development of renewable energy plants. PQ Energy LLC's plants will use a proven gasification solution and other renewable energy applications to convert bio matter and other renewable energy resources into clean and renewable baseload and on-demand energy. These systems will aid the State in meeting its goal of achieving a one hundred percent renewable standard by 2045 and will assist the counties and commercial sector by providing a cheaper and environmentally sound alternative to landfilling and processing waste and bio matters. The development of these renewable energy plants 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.

The legislature further finds that the benefits of the development of renewable energy plants include the following:

1. Reduction of greenhouse gas emissions;
2. Reduction of landfill waste streams;
3. Reduction of disposal costs;
4. Creation of local technical and semi-technical jobs;
5. Production of renewable energy for local communities, which reduces Hawaii's net import of energy and increases Hawaii's domestic wealth, self-sufficiency, and energy security; and
6. Assistance to meet Hawaii's renewable energy goals.

The legislature further finds that PQ Energy LLC's work in creating alternative energy for the State is an industrial enterprise, its development of renewable energy plants is a project as defined in part V, chapter 39A, Hawaii Revised Statutes, and the project may be assisted through the issuance of special purpose revenue bonds.

The purpose of this Act is to authorize the issuance of special purpose revenue bonds to assist PQ Energy LLC, through
the special purpose entities to be formed by it, to develop PQ
Energy LLC projects, in fulfilling the purpose of this Act,
which is the development of renewable energy plants within the
State of Hawaii.

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 $63,000,000, in
one or more series, for the purpose of assisting PQ Energy LLC,
a limited liability corporation, and its special purpose
entities in the development of renewable energy plants within
the State of Hawaii. The electrical output of these facilities
shall be made available for use by members of the general public
by sale to electric utilities serving the general public or by
sale to federal, state, or county agencies in the State of
Hawaii. The legislature hereby finds and determines that the
establishment of renewable energy plants developed by PQ Energy
LLC and its special purpose entities 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, 2021, 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
section 2. In making this determination, the department shall
comply with federal law relating to the exemption from federal
1 income taxation of the interest on bonds of the nature
2 authorized by this section.
3
4 SECTION 5. The authorization to issue special purpose
5 revenue bonds under this Act shall lapse on June 30, 2021.
6
7 SECTION 6. This Act shall take effect on July 1, 2016.
Report Title:
Waste-to-energy Power; Renewable Energy; Sustainable Energy;
Waste Management; Clean Energy; PQ Energy LLC; Special Purpose
Revenue Bonds; Appropriation

Description:
Authorizes the issuance of special purpose revenue bonds to
assist PQ Energy LLC and to be formed special purpose entities
with the development and construction of renewable energy plants
within the State of Hawaii. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.