

STAND. COM. REP. NO. 2341

Honolulu, Hawaii

FEB 13 2014

RE: S.B. No. 2754
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 Energy and Environment, to which was referred S.B. No. 2754 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 or a related special purpose entity with the financing of the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai.

Your Committee received testimony in support of this measure from the Ulupono Initiative, Sierra Club of Hawaii, EnerVault, Royal Contracting Company, Molokai Ranch, Princeton Energy Group, and sixty-one individuals. Your Committee received testimony in opposition to this measure from I Aloha Molokai and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Maui County Mayor's Office, and one individual.

Your Committee finds that support for the development of renewable energy projects in Hawaii, which is geographically isolated from sources of oil, continues to be in the public

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interest. This is especially true given the high cost of electricity in Hawaii, particularly on the island of Molokai.

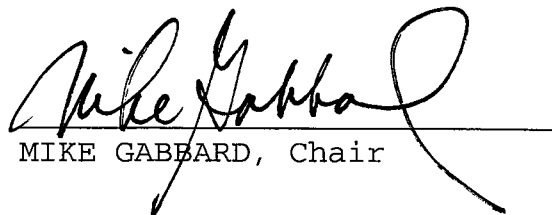
Your Committee further finds that Princeton Energy Group is engaged in the planning, design, and construction process to develop a multi-megawatt renewable energy project with energy storage technology near Kaunakakai to exclusively serve the island of Molokai. The issuance of special purpose revenue bonds and refunding special revenue bonds under this measure to assist Princeton Energy Group in the planning, design, and construction of its renewable energy project will make the development of such a project more economically feasible and provide numerous benefits.

Your Committee requests that the applicant of the special purpose revenue bonds submit to your Committee by April 11, 2014, copies of letters from the Department of Business, Economic Development, and Tourism and Department of Budget and Finance stating that the agencies have received and reviewed the applicant's business plan; provided that the agencies are not required to give approval or render a conclusion in the letter. Furthermore, your Committee urges the applicant to do further outreach with the community to share their plans.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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 S.B. No. 2754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2754, 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-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2754	Committee Referral: ENE, WAM	Date: 2/11/14		
<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)	X			
RUDERMAN, Russell E. (VC)	X			
CHUN OAKLAND, Suzanne	X			
IHARA, Jr., Les				X
SLOM, Sam				X
TOTAL	3			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