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## 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:**

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



1 carbon footprint, reduce the environmental impact of landfilling  
2 waste, and add living wage jobs to the State's economy.

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

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

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

20 The purpose of this Act is to authorize the issuance of  
21 special purpose revenue bonds to assist PQ Energy LLC, through



1 the special purpose entities to be formed by it, to develop PQ  
2 Energy LLC projects, in fulfilling the purpose of this Act,  
3 which is the development of renewable energy plants within the  
4 State of Hawaii.

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

8 SECTION 2. Pursuant to part V, chapter 39A, Hawaii Revised  
9 Statutes, the department of budget and finance, with the  
10 approval of the governor, is authorized to issue special purpose  
11 revenue bonds in a total amount not to exceed \$63,000,000, in  
12 one or more series, for the purpose of assisting PQ Energy LLC,  
13 a limited liability corporation, and its special purpose  
14 entities in the development of renewable energy plants within  
15 the State of Hawaii. The electrical output of these facilities  
16 shall be made available for use by members of the general public  
17 by sale to electric utilities serving the general public or by  
18 sale to federal, state, or county agencies in the State of  
19 Hawaii. The legislature hereby finds and determines that the  
20 establishment of renewable energy plants developed by PQ Energy  
21 LLC and its special purpose entities constitute a project as



1 defined in part V, chapter 39A, Hawaii Revised Statutes, and the  
2 financing thereof is assistance to an industrial enterprise.

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

8 SECTION 4. The department of budget and finance is  
9 authorized, from time to time, including times subsequent to  
10 June 30, 2021, to issue special purpose revenue bonds in  
11 whatever principal amounts the department shall determine to be  
12 necessary to refund the special purpose revenue bonds authorized  
13 in section 2 and to refund special purpose revenue bonds  
14 authorized in this section, regardless of whether the  
15 outstanding special purpose revenue bonds or refunding special  
16 purpose revenue bonds have matured or are the subject of  
17 redemption or whether the refunding special purpose revenue  
18 bonds shall be bonds for the multi-project programs described in  
19 section 2. In making this determination, the department shall  
20 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 SECTION 5. The authorization to issue special purpose  
4 revenue bonds under this Act shall lapse on June 30, 2021.

5 SECTION 6. This Act shall take effect on July 1, 2016.

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**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.*

