A BILL FOR AN ACT

RELATING TO GEOTHERMAL RESOURCES.

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

1		PART I.
2	SECT	ION 1. The purpose of this Act is to address
3	geotherma	l resources.
4	More	specifically:
5	(1)	Part II amends chapter 182, Hawaii Revised Statutes,
6		relating to mining leases, by differentiating between
7		"geothermal resources exploration" and "geothermal
8		resources development";
9	(2)	Part III amends chapter 183C, Hawaii Revised Statutes,
10		relating to the conservation district, by designating
11		"geothermal resources exploration" and "geothermal
12		resources development" as permitted uses in all zones
13		of the conservation district;
14	(3)	Part IV amends chapter 205, Hawaii Revised Statutes,
15		relating to state land use districts, by repealing the
16		geothermal resource subzone provisions and designating
17		"geothermal resources exploration" and "geothermal

1	resources development" as permitted uses in all
2	districts; and
3	(4) Part V amends chapter 343, Hawaii Revised Statutes,
4	relating to the environmental review process, by
5	exempting "geothermal resources exploration" from the
6	need for an environmental assessment or environmental
7	impact statement.
8	PART II.
9	SECTION 2. Chapter 182, Hawaii Revised Statutes, is
10	amended by adding a new section to be appropriately designated
11	and to read as follows:
12	"§182- No environmental assessment or environmental
13	impact statement required for geothermal resources exploration
14	lease or permit. The board shall not require any person
15	applying for a lease or permit exclusively for geothermal
16	resources exploration to prepare an environmental assessment or
17	environmental impact statement as a condition of accepting an
18	application for or issuing the lease or permit."
19	SECTION 3. Section 182-1, Hawaii Revised Statutes, is
20	amended as follows:
21	1. By adding two new definitions to be appropriately



1	"Geothermal resources exploration" means either of the
2	following:
3	(1) Conducting non-invasive geophysical operations; or
4	(2) Drilling exploration wells for the extraction and
5	removal of minerals of types and quantities;
6	that are reasonably required for testing and analysis to provide
7	ground truth or determine the economic viability of geothermal
8	resources. The term does not include "geothermal resources
9	development".
10	"Geothermal resources development" means the development or
11	production of electrical energy from geothermal resources and
12	direct use application of geothermal resources. The term does
13	not include "geothermal resources exploration"."
14	2. By amending the definition of "mining lease" and
15	"mining operations" to read:
16	""Mining lease" means a lease of the right to conduct
17	mining operations, including geothermal resource exploration or
18	development, on state lands and on lands sold or leased by the
19	State or its predecessors in interest with a reservation of
20	mineral rights to the State.
21	"Mining operations" means the process of excavation,
22	extraction, and removal of minerals, and the exploration or



- 1 development of any and all geothermal resources, from the
- 2 ground, design engineering, other engineering, erection of
- 3 transportation facilities and port facilities, erection of
- 4 necessary plants, other necessary operations or development
- 5 approved by the board preceding or connected with the actual
- 6 extraction of minerals and the exploration or development of
- 7 geothermal resources."
- 8 SECTION 4. Section 182-5, Hawaii Revised Statutes, is
- 9 amended to read as follows:
- 10 "§182-5 Mining leases on reserved lands. If any mineral
- 11 is discovered or known to exist on reserved lands, any
- 12 interested person may notify the board of land and natural
- 13 resources of the person's desire to apply for a mining lease.
- 14 The notice shall be accompanied by a fee of \$100 together with a
- 15 description of the land desired to be leased and the minerals
- 16 involved and such information and maps as the board may by
- 17 regulation prescribe. The board may grant a mining lease on
- 18 reserved lands in accordance with section 182-4, or the board
- 19 may, by the vote of two-thirds of its members to which the board
- 20 is entitled, without public auction, grant a mining lease on
- 21 reserved lands to the occupier thereof. Such a mining lease may
- 22 be granted to a person other than the occupier if the occupier



- 1 has assigned the occupier's rights to apply for a mining lease
- 2 to another person, in which case only such an assignee may be
- 3 granted a mining lease. Any provisions to the contrary
- 4 notwithstanding, if the board decides that it is appropriate to
- 5 grant a geothermal mining lease on the reserved lands, the
- 6 surface owner or the owner's assignee shall have the first right
- 7 of refusal for a mining lease[; however, the granting of a
- 8 qeothermal mining lease does not create the presumption that a
- 9 geothermal resource subzone will be designated, nor shall
- 10 geothermal-development-activities occur on land-within the
- 11 geothermal mining lease until the area is designated a
- 12 geothermal resource subzone]. If the occupier or the occupier's
- 13 assignee of the right to obtain a mining lease should fail to
- 14 apply for a mining lease within six months from the date of
- 15 notice from the board of a finding by the board that it is in
- 16 the public interest that the minerals on the reserved lands be
- 17 mined, a mining lease shall be granted under section 182-4;
- 18 provided that bidders at the public auction shall bid on an
- 19 amount to be paid to the State for a mining lease granting to
- 20 the lessee the right to exploit minerals reserved to the State."
- 21 SECTION 5. Section 182-6, Hawaii Revised Statutes, is
- 22 amended to read as follows:



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- 1 "§182-6 Exploration. Any person wishing to conduct exploration on such state lands shall apply to the board of land 2 3 and natural resources who shall issue exploration permits upon such terms and conditions as it shall by regulation prescribe. 4 During and as a result of the exploration, no minerals of such 5 types and quantity beyond that reasonably required for testing 6 and analysis shall be extracted and removed from such state 7 lands. Upon termination of the exploration permit, the drill 8 logs and the results of the assays resulting from the 9 exploration shall be turned over to the board and kept 10 confidential by the board. If the person shall not make 11 application for a mining lease of the lands within a period of 12 six months from the date the information is turned over to the 13
- This section shall be construed as authorizing the board to issue an exploration permit for geothermal resources as well as minerals."

board, the board in its discretion need not keep the information

- 19 PART III.
- 20 SECTION 6. Section 183C-4, Hawaii Revised Statutes, is 21 amended to read as follows:



confidential.

- 1 "§183C-4 Zoning; amendments. (a) The department, after
- 2 notice and hearing as provided in this section, shall review and
- 3 redefine the boundaries of the zones within the conservation
- 4 district.
- 5 (b) The department shall adopt rules governing the use of
- 6 land within the boundaries of the conservation district that are
- 7 consistent with the conservation of necessary forest growth, the
- 8 conservation and development of land and natural resources
- 9 adequate for present and future needs, and the conservation and
- 10 preservation of open space areas for public use and enjoyment.
- 11 No use except a nonconforming use as defined in section 183C-5,
- 12 shall be made within the conservation district unless the use is
- 13 in accordance with a zoning rule.
- 14 (c) The department may allow a temporary variance from
- 15 zoned use where good cause is shown and where the proposed
- 16 temporary variance is for a use determined by the department to
- 17 be in accordance with good conservation practices.
- 18 (d) The department shall establish zones within the
- 19 conservation district, which shall be restricted to certain
- 20 uses. The department, by rules, may specify the land uses
- 21 permitted therein which may include, but are not limited to,
- 22 farming, flower gardening, operation of nurseries or orchards,



- 1 growth of commercial timber, grazing, recreational or hunting
- 2 pursuits, or residential use. The rules may control the extent,
- 3 manner, and times of the uses, and may specifically prohibit
- 4 unlimited cutting of forest growth, soil mining, or other
- 5 activities detrimental to good conservation practices.
- 6 (e) Notwithstanding this section or any other <u>law to the</u>
- 7 contrary, geothermal resources exploration and geothermal
- 8 resources development, as defined under section 182-1, shall be
- 9 permitted uses in all zones of the conservation district. The
- 10 rules required under subsection (b) governing the use of land
- 11 within the boundaries of the conservation district shall be
- 12 deemed to include the provision of this section without
- 13 necessity of formal adoption by the department.
- 14 [(e)] (f) Whenever any landowner or government agency
- 15 whose property will be directly affected makes an application to
- 16 change the boundaries or land uses of any zone, or to establish
- 17 a zone with certain land uses, or where the department proposes
- 18 to make the change or changes itself, the change or changes
- 19 shall be put in the form of a proposed rule by the applicant and
- 20 the department shall then give public notice thereof during
- 21 three successive weeks statewide and in the county in which the
- 22 property is located. The notice shall be given not less than



- 1 thirty days prior to the date set for the hearing, and shall
- 2 state the time and place of the hearing and the changes
- 3 proposed. Any proposed rules and the necessary maps shall be
- 4 made available for inspection by interested members of the
- 5 public. The hearing shall be held in the county in which the
- 6 land is located and may be delegated to an agent or
- 7 representative of the board as may otherwise be provided by law
- 8 and in accordance with rules adopted by the board. For the
- 9 purpose of its public hearing or hearings, the board may summon
- 10 witnesses, administer oaths, and require the giving of
- 11 testimony."
- 12 SECTION 7. Section 183C-6, Hawaii Revised Statutes, is
- 13 amended to read as follows:
- 14 "§183C-6 Permits and site plan approvals. (a) The
- 15 department shall regulate land use in the conservation district
- 16 by the issuance of permits.
- 17 (b) The department shall render a decision on a completed
- 18 application for a permit within one-hundred-eighty days of its
- 19 acceptance by the department. If within one-hundred-eighty days
- 20 after acceptance of a completed application for a permit, the
- 21 department shall fail to give notice, hold a hearing, and render
- 22 a decision, the owner may automatically put the owner's land to



- 1 the use or uses requested in the owner's application. When an
- 2 environmental impact statement is required pursuant to chapter
- 3 343, or when a contested case hearing is requested pursuant to
- 4 chapter 91, the one-hundred-eighty days may be extended an
- 5 additional ninety days at the request of the applicant. Any
- 6 request for additional extensions shall be subject to the
- 7 approval of the board.
- 8 (c) The department shall hold a public hearing in every
- 9 case involving the proposed use of land for commercial purposes,
- 10 at which hearing interested persons shall be afforded a
- 11 reasonable opportunity to be heard. Public notice of the time
- 12 and place of the hearing shall be given at least once statewide
- 13 and in the county in which the property is located. The notice
- 14 shall be given not less than twenty days prior to the date set
- 15 for the hearing. The hearing shall be held in the county in
- 16 which the land is located and may be delegated to an agent or
- 17 representative of the board as may otherwise be provided by law
- 18 and in accordance with rules adopted by the board. For the
- 19 purposes of its public hearing or hearings, the department shall
- 20 have the power to summon witnesses, administer oaths, and
- 21 require the giving of testimony. As used in this subsection,

- 1 the term "commercial purposes" shall not include the use of land
- 2 for utility purposes.
- 3 (d) The department shall regulate the construction,
- 4 reconstruction, demolition, or alteration of any structure,
- 5 building, or facility by the issuance of site plan approvals.
- 6 (e) Any permit for the reconstruction, restoration,
- 7 repair, or use of any Hawaiian fishpond exempted from the
- 8 requirements of chapter 343 under section 183B-2 shall provide
- 9 for compliance with the conditions of section 183B-2.
- 10 (f) The department shall not require an applicant for a
- 11 permit exclusively for geothermal resources exploration to
- 12 prepare an environmental assessment or environmental impact
- 13 statement pursuant to chapter 343 as a condition of accepting
- 14 the application for or issuing the permit."
- 15 PART IV.
- 16 SECTION 8. Section 205-2, Hawaii Revised Statutes, is
- 17 amended by amending subsections (b), (c), (d), and (e) to read
- 18 as follows:
- 19 "(b) Urban districts shall include activities or uses as
- 20 provided by ordinances or regulations of the county within which
- 21 the urban district is situated.

1	In addition, urban districts shall include geothermal
2	resources exploration and geothermal resources development, as
3	defined under section 182-1, as permitted uses.
4	(c) Rural districts shall include activities or uses as
5	characterized by low density residential lots of not more than
6	one dwelling house per one-half acre, except as provided by
7	county ordinance pursuant to section 46-4(c), in areas where
8	"city-like" concentration of people, structures, streets, and
9	urban level of services are absent, and where small farms are
10	intermixed with low density residential lots except that within
11	a subdivision, as defined in section 484-1, the commission for
12	good cause may allow one lot of less than one-half acre, but not
13	less than 18,500 square feet, or an equivalent residential
14	density, within a rural subdivision and permit the construction
15	of one dwelling on such lot, provided that all other dwellings
16	in the subdivision shall have a minimum lot size of one-half
17	acre or 21,780 square feet. Such petition for variance may be
18	processed under the special permit procedure. These districts
19	may include contiguous areas which are not suited to low density
20	residential lots or small farms by reason of topography, soils,
21	and other related characteristics. Rural districts shall also

include golf courses, golf driving ranges, and golf-related 1 2 facilities. 3 In addition to the uses listed in this subsection, rural districts shall include geothermal resources exploration and 4 geothermal resources development, as defined under section 182-5 1, as permitted uses. 6 Agricultural districts shall include: 7 (d) (1) Activities or uses as characterized by the cultivation 8 of crops, crops for bioenergy, orchards, forage, and 9 forestry; 10 Farming activities or uses related to animal husbandry (2) 11 and game and fish propagation; 12 Aquaculture, which means the production of aquatic 13 (3) plant and animal life within ponds and other bodies of 14 water; 15 Wind generated energy production for public, private, 16 (4) and commercial use; 17 Biofuel production, as described in section 18 (5) 19 205-4.5(a)(15), for public, private, and commercial

Solar energy facilities; provided that:

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(6)

use;

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1		(A)	This paragraph shall apply only to land with soil
2			classified by the land study bureau's detailed
3			land classification as overall (master)
4			productivity rating class B, C, D or E; and
5		(B)	Solar energy facilities placed within land with
6			soil classified as overall productivity rating
7			class B or C shall not occupy more than ten per
8			cent of the acreage of the parcel, or twenty
9			acres of land, whichever is lesser;
10	(7)	Bona	fide agricultural services and uses that support
11		the	agricultural activities of the fee or leasehold
12		owne	r of the property and accessory to any of the
13		abov	e activities, regardless of whether conducted on
14		the	same premises as the agricultural activities to
15		whic	h they are accessory, including farm dwellings as
16		defi	ned in section 205-4.5(a)(4), employee housing,
17		farm	buildings, mills, storage facilities, processing
18		faci	lities, agricultural-energy facilities as defined
19		in s	ection 205-4.5(a)(16), vehicle and equipment

storage areas, roadside stands for the sale of

products grown on the premises, and plantation

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1		community subdivisions as defined in section
2		205-4.5(a)(12);
3	(8)	Wind machines and wind farms;
4	(9)	Small-scale meteorological, air quality, noise, and
5	•	other scientific and environmental data collection and
6		monitoring facilities occupying less than one-half
7		acre of land; provided that these facilities shall not
8		be used as or equipped for use as living quarters or
9		dwellings;
10	(10)	Agricultural parks;
11	(11)	Agricultural tourism conducted on a working farm, or a
12		farming operation as defined in section 165-2, for the
13		enjoyment, education, or involvement of visitors;
14		provided that the agricultural tourism activity is
15		accessory and secondary to the principal agricultural
16		use and does not interfere with surrounding farm
17		operations; and provided further that this paragraph
18		shall apply only to a county that has adopted
19		ordinances regulating agricultural tourism under
20		section 205-5; [and]
21	(12)	Open area recreational facilities[+]; and

1	(13) Geothermal resources exploration and geothermal
2	resources development, as defined under section 182-1.
3	Agricultural districts shall not include golf courses and golf
4	driving ranges, except as provided in section 205-4.5(d).
5	Agricultural districts include areas that are not used for, or
6	that are not suited to, agricultural and ancillary activities by
7	reason of topography, soils, and other related characteristics.
8	(e) Conservation districts shall include areas necessary
9	for protecting watersheds and water sources; preserving scenic
10	and historic areas; providing park lands, wilderness, and beach
11	reserves; conserving indigenous or endemic plants, fish, and
12	wildlife, including those which are threatened or endangered;
13	preventing floods and soil erosion; forestry; open space areas
14	whose existing openness, natural condition, or present state of
15	use, if retained, would enhance the present or potential value
16	of abutting or surrounding communities, or would maintain or
17	enhance the conservation of natural or scenic resources; areas
18	of value for recreational purposes; other related activities;
19	and other permitted uses not detrimental to a multiple use
20	conservation concept. Conservation districts shall also include
21	areas for geothermal resources exploration and geothermal
22.	magazing a david compating defined under section 182-1

1	SECT	ION 9. Section 205-4.5, Hawaii Revised Statutes, is
2	amended by	y amending subsection (a) to read as follows:
3	"(a)	Within the agricultural district, all lands with soil
4	classifie	d by the land study bureau's detailed land
5	classifica	ation as overall (master) productivity rating class A
6	or B shall	l be restricted to the following permitted uses:
7	(1)	Cultivation of crops, including crops for bioenergy,
8		flowers, vegetables, foliage, fruits, forage, and
9		timber;
10	(2)	Game and fish propagation;
11	(3)	Raising of livestock, including poultry, bees, fish,
12		or other animal or aquatic life that are propagated
13		for economic or personal use;
14	(4)	Farm dwellings, employee housing, farm buildings, or
15		activities or uses related to farming and animal
16		husbandry. "Farm dwelling", as used in this
17		paragraph, means a single-family dwelling located on
18		and used in connection with a farm, including clusters
19		of single-family farm dwellings permitted within
20		agricultural parks developed by the State, or where
21		agricultural activity provides income to the family
22		occupying the dwelling;

1	(5)	Public institutions and buildings that are necessary
2		for agricultural practices;
3	(6)	Public and private open area types of recreational
4		uses, including day camps, picnic grounds, parks, and
5		riding stables, but not including dragstrips,
6		airports, drive-in theaters, golf courses, golf
7		driving ranges, country clubs, and overnight camps;
8	(7)	Public, private, and quasi-public utility lines and
9		roadways, transformer stations, communications
10		equipment buildings, solid waste transfer stations,
11		major water storage tanks, and appurtenant small
12		buildings such as booster pumping stations, but not
13		including offices or yards for equipment, material,
14		vehicle storage, repair or maintenance, treatment
15		plants, corporation yards, or other similar
16		structures;
17	(8)	Retention, restoration, rehabilitation, or improvement
18		of buildings or sites of historic or scenic interest;
19	(9)	Roadside stands for the sale of agricultural products
20		grown on the premises;
21	(10)	Buildings and uses, including mills, storage, and
22		processing facilities, maintenance facilities, and

	vehicle and equipment storage areas that are normally
	considered directly accessory to the above-mentioned
	uses and are permitted under section 205-2(d);
(11)	Agricultural parks;
(12)	Plantation community subdivisions, which as used in
	this chapter means an established subdivision or
·	cluster of employee housing, community buildings, and
	agricultural support buildings on land currently or
	formerly owned, leased, or operated by a sugar or
	pineapple plantation; provided that the existing
	structures may be used or rehabilitated for use, and
	new employee housing and agricultural support
	buildings may be allowed on land within the
	subdivision as follows:
	(A) The employee housing is occupied by employees or
	former employees of the plantation who have a
	property interest in the land;
	(B) The employee housing units not owned by their
	occupants shall be rented or leased at affordable
	rates for agricultural workers; or

1		(C) The agricultural support buildings shall be
2		rented or leased to agricultural business
3		operators or agricultural support services;
4	(13)	Agricultural tourism conducted on a working farm, or a
5		farming operation as defined in section 165-2, for the
6		enjoyment, education, or involvement of visitors;
7		provided that the agricultural tourism activity is
8		accessory and secondary to the principal agricultural
9		use and does not interfere with surrounding farm
10		operations; and provided further that this paragraph
11		shall apply only to a county that has adopted
12		ordinances regulating agricultural tourism under
13		section 205-5;
14	(14)	Wind energy facilities, including the appurtenances
15		associated with the production and transmission of
16		wind generated energy; provided that the wind energy
17		facilities and appurtenances are compatible with
18		agriculture uses and cause minimal adverse impact on
19		agricultural land;
20	(15)	Biofuel processing facilities, including the
21		appurtenances associated with the production and
22		refining of biofuels that is normally considered

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directly accessory and secondary to the growing of the energy feedstock; provided that biofuels processing facilities and appurtenances do not adversely impact agricultural land and other agricultural uses in the vicinity.

For the purposes of this paragraph:

"Appurtenances" means operational infrastructure of the appropriate type and scale for economic commercial storage and distribution, and other similar handling of feedstock, fuels, and other products of biofuels processing facilities.

"Biofuel processing facility" means a facility
that produces liquid or gaseous fuels from organic
sources such as biomass crops, agricultural residues,
and oil crops, including palm, canola, soybean, and
waste cooking oils; grease; food wastes; and animal
residues and wastes that can be used to generate
energy;

(16) Agricultural-energy facilities, including appurtenances necessary for an agricultural-energy enterprise; provided that the primary activity of the agricultural-energy enterprise is agricultural

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activity. To be considered the primary activity of an agricultural-energy enterprise, the total acreage devoted to agricultural activity shall be not less than ninety per cent of the total acreage of the agricultural-energy enterprise. The agricultural-energy facility shall be limited to lands owned, leased, licensed, or operated by the entity conducting the agricultural activity.

As used in this paragraph:

"Agricultural activity" means any activity described in paragraphs (1) to (3) of this subsection.

"Agricultural-energy enterprise" means an enterprise that integrally incorporates an agricultural activity with an agricultural-energy facility.

"Agricultural-energy facility" means a facility that generates, stores, or distributes renewable energy as defined in section 269-91 or renewable fuel including electrical or thermal energy or liquid or gaseous fuels from products of agricultural activities from agricultural lands located in the State.

1		"Appurtenances" means operational infrastructure
2		of the appropriate type and scale for the economic
3		commercial generation, storage, distribution, and
4		other similar handling of energy, including equipment,
5		feedstock, fuels, and other products of agricultural-
6		energy facilities;
7	(17)	Construction and operation of wireless communication
8		antennas; provided that, for the purposes of this
9		paragraph, "wireless communication antenna" means
10		communications equipment that is either freestanding
11		or placed upon or attached to an already existing
12		structure and that transmits and receives
13		electromagnetic radio signals used in the provision of
14		all types of wireless communications services;
15		provided further that nothing in this paragraph shall
16		be construed to permit the construction of any new
17		structure that is not deemed a permitted use under
18		this subsection;
19	(18)	Agricultural education programs conducted on a farming
20		operation as defined in section 165-2, for the
21		education and participation of the general public;
22		provided that the agricultural education programs are

1		accessory and secondary to the principal agricultural
2		use of the parcels or lots on which the agricultural
3		education programs are to occur and do not interfere
4		with surrounding farm operations. For the purposes of
5		this section, "agricultural education programs" means
6		activities or events designed to promote knowledge and
7		understanding of agricultural activities and practices
8		conducted on a farming operation as defined in section
9		165-2; [or]
10	(19)	Solar energy facilities that do not occupy more than
11		ten per cent of the acreage of the parcel, or twenty
12		acres of land, whichever is lesser; provided that this
13		use shall not be permitted on lands with soil
14		classified by the land study bureau's detailed land
15		classification as overall (master) productivity rating
16		class A[-]; or
17	(20)	Geothermal resources exploration and geothermal
18		resources development, as defined under section 182-
19		<u>1.</u> "
20	SECT	ION 10. Section 205-5, Hawaii Revised Statutes, is
21	amended by	y amending subsection (c) to read as follows:

"(c) Unless authorized by special permit issued pursuant 1 to this chapter, only the following uses shall be permitted 2 3 within rural districts: 4 Low density residential uses; 5 (2) Agricultural uses; (3) Golf courses, golf driving ranges, and golf-related 6 7 facilities; [and] Public, quasi-public, and public utility 8 (4)9 facilities[-]; and Geothermal resources exploration and geothermal 10 (5) resources development, as defined under section 182-1. 11 In addition, the minimum lot size for any low density 12 residential use shall be one-half acre and there shall be but 13 one dwelling house per one-half acre, except as provided for in 14 section 205-2." 15 SECTION 11. Section 205-5.1, Hawaii Revised Statutes, is 16 17 repealed. ["\frac{\$205-5.1}{Geothermal resource subzones. (a) Geothermal 18 19 resource subzones may be designated within the urban, rural, agricultural, and conservation land use districts established 20 under section 205-2. Only those areas designated as geothermal 21 resource subzones may be utilized for geothermal development 22

activities in addition to those uses permitted in each land use 1 2 district under this chapter. Geothermal development activities may-be-permitted within urban, rural, agricultural, and 3 4 conservation land use districts in accordance with this chapter. 5 "Geothermal development activities" means the exploration, 6 development, or production of electrical energy from geothermal resources and direct use applications of geothermal resources; 7 provided that within the urban, rural, and agricultural land use 8 districts, direct use applications of geothermal resources are 9 permitted both-within and outside-of-areas designated as 10 quothermal resource subzones pursuant to section 205-5.2 if such 11 direct use applications are in conformance with all other 12 applicable state and county land-use regulations and are in 13 conformance with this chapter. 14 15 (b) The board of land and natural resources shall have the responsibility for designating areas as geothermal resource 16 subzones as provided under section 205-5.2; except that the 17 total area within an agricultural district which is the subject 18 19 of a geothermal mining lease approved by the board of land and natural resources, any part or all of which area is the subject 20 of a special use permit issued by the county for geothermal 21 development activities, on or before May 25, 1984, is designated 22

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as a geothermal resource subzone for the duration of the lease.
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    The-designation of geothermal resource subzones shall be
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    governed exclusively by this section and section 205-5.2, except
    as provided therein. The board shall adopt, amend, or repeal
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    rules related to its authority to designate and regulate the use
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    of geothermal resource subzones in the manner provided under
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7
    chapter-91.
         The authority of the board to designate geothermal resource
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    subzones shall be-an-exception to those provisions of this
9
    chapter and of section 46-4 authorizing the land use commission
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    and the counties to establish and modify land use districts and
11
    to regulate uses therein. The provisions of this section shall
12
    not abrogate nor supersede the provisions of chapters 182, 183,
13
    and 183C.
14
15
         (c) The use of an area for geothermal development
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    activities within a geothermal resource subzone shall be
17
    governed by the board within the conservation district and,
    except as herein provided, by state and county statutes,
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    ordinances, and rules not inconsistent herewith within
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    agricultural, rural, and urban districts, except that no land
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    use commission approval or special use permit procedures under
21
    section 205-6-shall be required for the use of such subzones.
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In the absence of provisions in the county general plan and 1 2 zoning ordinances specifically relating to the use and location of qeothermal development activities in an agricultural, rural, 3 4 or urban district, the appropriate county authority may issue a 5 geothermal resource permit to allow geothermal development 6 activities. "Appropriate county authority" means the county 7 planning commission unless some other agency or body is designated by ordinance of the county council. Such uses as are 8 permitted by county general plan and zoning ordinances, by the 9 appropriate county authority, shall be deemed to be reasonable 10 and to promote the effectiveness and objectives of this chapter. 11 Chapters 177, 178, 182, 183, 183C, 205A, 226, 342, and 343 shall 12 apply as appropriate. If provisions in the county general plan 13 and zoning ordinances specifically relate to the use and 14 15 location of geothermal development activities in an agricultural, rural, or urban district, the provisions shall 16 require the appropriate county authority to conduct a public **17** hearing on any application for a geothermal resource permit to 18 19 determine whether the use is in conformity with the criteria specified in subsection (c) for granting geothermal resource 20 permits; provided that within the urban, rural, and agricultural 21 land use districts, direct use applications of geothermal 22

resources are permitted without any application for a geothermal 1 resource permit both within and outside of areas designated as 2 geothermal resource subzones pursuant to section 205 5.2 if such 3 direct use applications are in conformance with all other 4 applicable state and county land use regulations and are in 5 6 conformance with this chapter. 7 (d) If geothermal development activities are proposed within a conservation district, with an application with all 8 required data, the board of land and natural resources shall 9 conduct a public hearing and, upon appropriate request for 10 mediation from any party who submitted comment at the public 11 hearing, the board shall appoint a mediator within five days. 12 The board shall require the parties to participate in mediation. 13 The mediator shall not be a member of the board or its staff. 14 The mediation period shall not extend beyond thirty days after 15 the date mediation started, except by order of the board. 16 Mediation shall be confined to the issues raised at the public **17** 18 hearing-by the party requesting mediation. The mediator will submit a written recommendation to the board, based upon any 19 mediation agreement reached between the parties for 20 consideration by the board in its final decision. If there is 21 no mediation agreement, the board may have a second public 22



1	hearing t o	receive additional comment related to the mediation
2	issucs. V	Within ten days after the second public hearing, the
3	board may	receive additional written comment on the issues
4	raised at	the second public hearing from any party.
5	The-	ooard shall consider the comments raised at the second
6	hearing be	efore-rendering its final decision. The board shall
7	then-deter	rmine whether, pursuant to board rules, a conservation
8	district \	use permit shall be granted to authorize the geothermal
9	developmer	it activities described in the application. The board
10	shall gra	at a conservation district use permit if it finds that
11	the applic	eant has demonstrated that:
12	(1)	The desired uses would not have unreasonable adverse
13		health, environmental, or socio-economic effects on
14		residents or surrounding property; and
15	(2)	The desired uses would not unreasonably burden public
16		agencies to provide roads and streets, sewers, water,
17		drainage, and police and fire protection; or
18	(3)	There are reasonable measures available to mitigate
19		the unreasonable adverse effects or burdens referred
20		to above.
21	A-de	cision shall be made by the board within six months of
22	the date a	a-complete application was filed; provided that the



1 time limit may be extended by agreement between the applicant 2 and the board. (c) If geothermal development activities are proposed 3 within agricultural, rural, or urban districts and such proposed 4 activities-are not permitted-uses pursuant to county-general 5 plan and zoning-ordinances; then after receipt of a properly 6 filed and completed application, including all required 7 supporting-data, the appropriate county authority shall conduct 8 a public hearing. Upon appropriate request for mediation from 9 any party who submitted comment at the public hearing, the 10 county authority shall appoint a mediator within five days. The 11 county authority shall require the parties to participate in 12 mediation. The mediator shall not be an employee of any county 13 agency or its-staff. The mediation period shall not extend 14 beyond thirty days after mediation started, except by order of 15 the county authority. - Mediation shall be confined to the issues 16 raised at the public hearing by the party requesting mediation. 17 18 The mediator will submit a written recommendation to the county authority, based upon any mediation agreement reached between 19 the parties for consideration by the county authority in its 20 21 final decision. If there is no mediation agreement, the county authority may have a second public hearing to receive additional 22



1	comment r	elated to the mediation issues. Within ten days after
2	the secon	d-public hearing, the county authority may receive
3	additiona	l written comment on the issues raised at the second
4	public he	aring from any party.
5	The-	county authority shall consider the comments raised at
6	the secon	d hearing before rendering its final decision. The
7	county au	thority-shall then determine whether a geothermal
8	resource	permit shall be granted to authorize the geothermal
9	developme	nt activities described in the application. The
10	appropria	te county authority shall grant a geothermal resource
11	permit if	it finds that applicant has demonstrated that:
12	(1)	The desired uses would not have unreasonable adverse
13		health, environmental, or socio economic effects on
14		residents or surrounding property;
15	(2)	The desired uses would not unreasonably burden public
16		agencies to provide roads and streets, sewers, water,
17		drainage, school improvements, and police and fire
18		protection; and
19	-(3) -	That there are reasonable measures available to
20		mitigate the unreasonable adverse effects or burdens
21		referred to above.

1	Unless there is a mutual agreement to extend, a decision
2	shall be made on the application by the appropriate county
3	authority within six-months-of the date a complete application
4	was filed; provided that the time limit may be extended by
5	agreement between the applicant and the appropriate county
6	authority.
7	(f) Requests for mediation shall be received by the board
8	or county-authority within five days after the close of the
9	initial public hearing. Within five days thereafter, the board
10	or county authority shall appoint a mediator. Any person
11	submitting an appropriate request for mediation shall be
12	notified by the board or county authority of the date, time, and
13	place of the mediation conference by depositing such notice in
14	the mail to the return address stated on the request for
15	mediation. The notice shall be mailed no later than ten days
16	before the start of the mediation conference. The conference
17	shall be held on the island where the public hearing is held.
18	(g) Any decision made by an appropriate county authority
19	or the board pursuant to a public hearing or hearings under this
20	section may be appealed directly on the record to the
21	intermediate appellate court for final decision and shall not be
22	subject to a contested case hearing. Sections 91-14(b) and (g)

1	shall gov	ern the appeal, notwithstanding the lack of a contested
2	case hear	ing on the matter. The appropriate county authority or
3	the board	shall provide a court reporter to produce a transcript
4	of the pro	occedings at all public hearings under this section for
5	purposes	o f an appeal.
6	(h)	For the purposes of an appeal from a decision from a
7	public he	aring, the record shall include:
8	(1)	The application for the permit and all accompanying
9		supporting documents, including but not limited to:
10		reports, studies, affidavits, statements, and
11		exhibits.
12	(2)	Staff recommendations submitted to the members of the
13		agency in consideration of the application.
14	(3)	Oral and written public testimony received at the
15		public hearings.
16	(4)	Written transcripts of the proceedings at the public
17		hearings.
18	(5)	The written recommendation received by the agency from
19		the mediator with any mediation agreement.
20	(6)	A statement of relevant matters noticed by the agency
21		members at the public hearings.

1	(7) The written decision of the agency issued in
2	connection with the application and public hearings.
3	(8) Other documents required by the board or county
4	authority."]
5	SECTION 12. Section 205-5.2, Hawaii Revised Statutes, is
6	repealed.
7	["\$205-5.2 Designation of areas as geothermal resource
8	subzones. (a) Beginning in 1983, the board of land and natura
9	resources shall-conduct a county by-county-assessment of areas
10	with geothermal potential for the purpose of designating
11	geothermal resource subzones. This assessment shall be revised
12	or updated at the discretion of the board, but at least once
13	each five years beginning in 1988. Any property owner or person
14	with an interest in real property wishing to have an area
15	designated as a geothermal resource subzone may submit a
16	petition for a geothermal resource subzone designation in the
17	form and manner established by rules and regulations adopted by
18	the board. An environmental impact statement as defined under
19	chapter 343-shall not be required for the assessment of areas
20	under this section.

1	-(d) -	The board's assessment of each potential geothermal
2	resource	subzone area shall examine factors to include, but not
3	be limite	d to:
4	(1)	The area's potential for the production of geothermal
5		energy;
6	(2)	The prospects for the utilization of geothermal energy
7		in-the area;
8	(3)	The geologic hazards that potential geothermal
9		projects would encounter;
10	(4)	Social and environmental impacts;
11	(5)	The compatibility of geothermal development and
12		potential related industries with present uses of
13		surrounding land and those uses permitted under the
14		general plan or land use policies of the county in
15		which the area is located;
16	(6)	The potential economic benefits to be derived from
17		geothermal development and potential related
18		industries; and
19	(7)	The compatibility of geothermal development and
20		potential related industries with the uses permitted
21		under chapter 183C and section 205-2, where the area
22		falls within a conservation district

1	In addition, the board shall consider, if applicable,
2	objectives, policies, and guidelines set forth in part I of
3	chapter 205A, and chapter 226.
4	(c) Methods for assessing the factors in subsection (b)
5	shall be left to the discretion of the board and may be based on
6	currently available public information.
7	(d) After the board-has completed a county by county
8	assessment of all areas with geothermal potential or after any
9	subsequent update or review, the board shall compare all areas
10	showing geothermal potential within each county, and shall
11	propose areas for potential designation as geothermal resource
12	subzones based upon a preliminary finding that the areas are
13	those sites which best demonstrate an acceptable balance between
14	the factors set forth in subsection (b). Once a proposal is
15	made, the board shall conduct public hearings pursuant to this
16	subsection, notwithstanding any contrary provision related to
17	public hearing procedures. Contested case procedures are not
18	applicable to these hearings.
19	(1) Hearings shall be held at locations which are in close
20	proximity to those areas proposed for designation. A
21	public notice of hearing, including a description of
22	the proposed areas, an invitation for public comment,

1		and a statement of the date, time, and place where
2		persons may be heard shall be given and mailed no less
3		than twenty days before the hearing. The notice shall
4		be given on three separate days statewide and in the
5		county in which the hearing is to be held. Copies of
6		the notice shall be mailed to the department of
7		business, economic development, and tourism, to the
8		planning commission and planning department of the
9		county in which the proposed areas are located, and to
10		all owners of record of real estate within, and within
11		one thousand feet of, the area being proposed for
12		designation as a geothermal resource subzone. The
13		notification shall be mailed to the owners and
14		addresses as shown on the current real property tax
15		rolls at the county real property tax office. Upon
16		that action, the requirement for notification of
17		owners of land is completed. For the purposes of this
18		subsection, notice to one co-owner shall be-sufficient
19		notice to all-co-owners;
20	(2)	The hearing shall be held before the board, and the
21		authority to conduct hearings shall not be delegated
22		to any agent or representative of the board. All

1		persons and agencies shall be afforded the opportunity
2		to submit data, views, and arguments either orally or
3		in writing. The department of business, economic
4		development, and tourism and the county planning
5		department shall be permitted to appear at every
6		hearing and make recommendations concerning each
7		proposal by the board; and
8	(3)	At the close of the hearing, the board may designate
9		areas as geothermal resource subzones or announce the
10		date on which it will render its decision. The board
11		may designate areas as geothermal resource subzones
12		only upon finding that the areas are those sites which
13		best-demonstrate an acceptable balance between the
14		factors-set forth in subsection (b) Upon request,
15		the board shall issue a concise statement of its
16		findings and the principal reasons for its decision to
17		designate a particular area.
18	(e)	The designation of any geothermal resource subzone may
19	be withdr	awn by the board of land and natural resources after
20	proceedin	gs conducted pursuant to chapter 91. The board shall
21	withdraw	a designation only upon finding by a preponderance of
22	the evide	ence that the area is no longer suited for designation;
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in which active exploration, development, production or 2 distribution of electrical energy from-geothermal sources or 3 direct use applications of qeothermal resources are taking 4 5 place. 6 (f) This Act shall not apply to any active exploration, development or production of electrical energy from geothermal 7 sources or direct use applications of geothermal resources 8 taking place on June 14, 1983, provided that any expansion of 9 such activities shall be carried out in compliance with its 10 11 provisions."] SECTION 13. Section 205-5.3, Hawaii Revised Statutes, is 12 13 repealed. ["[\$205-5.3] Exploratory wells. Notwithstanding section 14 205-5.1(a), (d), and (e), or any other provision of law, any 15 exploratory well drilled for scientific purposes or to determine 16 the economic viability of a geothermal resource, may be 17 permitted outside of a designated geothermal resource subzone, 18 19 regardless of land-use classification, provided that the 20 activity is limited to exploration only. All applicable state and county permits shall be required to drill such exploratory 21

provided that the designation shall not be withdrawn for areas

- 1 wells which shall not be exempt from the requirements of the
- 2 environmental impact statement law, chapter 343."]
- PART V.
- 4 SECTION 14. Chapter 343, Hawaii Revised Statutes, is
- 5 amended by adding a new section to be appropriately designated
- 6 and to read as follows:
- 7 "§343- Geothermal resources exploration; exemption.
- 8 (a) Geothermal resources exploration shall be exempt from the
- 9 requirements of this chapter.
- 10 (b) If, subsequent to geothermal resources exploration at
- 11 a particular site, geothermal resources development is to follow
- 12 at the site, this exemption shall not apply to the geothermal
- 13 resources development. If the geothermal resources development
- 14 is an action requiring an environmental assessment under section
- 15 343-5(a), then this chapter shall apply to that action."
- 16 SECTION 15. Section 343-2, Hawaii Revised Statutes, is
- 17 amended as follows:
- 18 1. By adding a new definition to be appropriately inserted
- 19 and to read:
- 20 ""Geothermal resources exploration" means the same as
- 21 defined under section 182-1."



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         2. By amending the definition of "renewable energy
 2
    facility" to read:
         ""Renewable energy facility" has the same meaning as
 3
    defined in section 201N-1[-]; except that, for this chapter
 4
    only, the term shall not include any facility for geothermal
 5
    resources exploration."
 6
         SECTION 16. Section 343-5, Hawaii Revised Statutes, is
 7
    amended by amending subsections (b) and (c) to read as follows:
 8
         "(b) Whenever an agency proposes an action in subsection
 9
    (a), other than feasibility or planning studies for possible
10
    future programs or projects that the agency has not approved,
11
    adopted, or funded, or other than the use of state or county
12
    funds for the acquisition of unimproved real property that is
13
14
    not a specific type of action declared exempt under section 343-
    6[-] or 343- , the agency shall prepare an environmental
15
    assessment for such action at the earliest practicable time to
16
    determine whether an environmental impact statement shall be
17
18
    required.
         (1) For environmental assessments for which a finding of
19
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no significant impact is anticipated:

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1	(A)	A draft environmental assessment shall be made
2		available for public review and comment for a
3		period of thirty days;
4	(B)	The office shall inform the public of the
5		availability of the draft environmental
6		assessment for public review and comment pursuant
7		to section 343-3;
8	(C)	The agency shall respond in writing to comments
9		received during the review and prepare a final
10		environmental assessment to determine whether an
11		environmental impact statement shall be required;
12	(D)	A statement shall be required if the agency finds
13		that the proposed action may have a significant
14		effect on the environment; and
15	(E)	The agency shall file notice of such
16		determination with the office. When a conflict
17		of interest may exist because the proposing
18		agency and the agency making the determination
19		are the same, the office may review the agency's
20		determination, consult the agency, and advise the
21		agency of potential conflicts, to comply with
22		this section. The office shall publish the final

1	determination for the public's information
2	pursuant to section 343-3.
3	The draft and final statements, if required, shall be
4	prepared by the agency and submitted to the office. The draft
5	statement shall be made available for public review and comment
6	through the office for a period of forty-five days. The office
7	shall inform the public of the availability of the draft
8	statement for public review and comment pursuant to section 343-
9	3. The agency shall respond in writing to comments received
10	during the review and prepare a final statement.
11	The office, when requested by the agency, may make a
12	recommendation as to the acceptability of the final statement.
13	(2) The final authority to accept a final statement shall
14	rest with:
15	(A) The governor, or the governor's authorized
16	representative, whenever an action proposes the
17	use of state lands or the use of state funds, or
18	whenever a state agency proposes an action within
19	the categories in subsection (a); or
20	(B) The mayor, or the mayor's authorized
21	representative, of the respective county whenever

1	an action proposes only the use of county lands
2	or county funds.
3	Acceptance of a required final statement shall be a
4	condition precedent to implementation of the proposed action.
5	Upon acceptance or nonacceptance of the final statement, the
6	governor or mayor, or the governor's or mayor's authorized
7	representative, shall file notice of such determination with the
8	office. The office, in turn, shall publish the determination of
9	acceptance or nonacceptance pursuant to section 343-3.
10	(c) Whenever an applicant proposes an action specified by
11	subsection (a) that requires approval of an agency and that is
12	not a specific type of action declared exempt under section 343-
13	6[$_{ au}$] or 343- , the agency initially receiving and agreeing to
14	process the request for approval shall prepare an environmental
15	assessment of the proposed action at the earliest practicable
16	time to determine whether an environmental impact statement
17	shall be required; provided that, for an action that proposes
18	the establishment of a renewable energy facility, a draft
19	environmental impact statement shall be prepared at the earliest
20	practicable time. The final approving agency for the request
21	for approval is not required to be the accepting authority.

1	For	environmental assessments for which a finding of no
2	significa	ant impact is anticipated:
3	(1)	A draft environmental assessment shall be made
4		available for public review and comment for a period
5		of thirty days;
6	(2)	The office shall inform the public of the availability
7		of the draft environmental assessment for public
8		review and comment pursuant to section 343-3; and
9	(3)	The applicant shall respond in writing to comments
10		received during the review, and the agency shall
11		prepare a final environmental assessment to determine
12		whether an environmental impact statement shall be
13		required. A statement shall be required if the agency
14		finds that the proposed action may have a significant
15		effect on the environment. The agency shall file
16		notice of the agency's determination with the office,
17		which, in turn, shall publish the agency's
18		determination for the public's information pursuant to
19		section 343-3.
20	The	draft and final statements, if required, shall be
21	prepared	by the applicant, who shall file these statements with
22	the offic	ce.



- 1 The draft statement shall be made available for public
- 2 review and comment through the office for a period of forty-five
- 3 days. The office shall inform the public of the availability of
- 4 the draft statement for public review and comment pursuant to
- 5 section 343-3.
- 6 The applicant shall respond in writing to comments received
- 7 during the review and prepare a final statement. The office,
- 8 when requested by the applicant or agency, may make a
- 9 recommendation as to the acceptability of the final statement.
- 10 The authority to accept a final statement shall rest with
- 11 the agency initially receiving and agreeing to process the
- 12 request for approval. The final decision-making body or
- 13 approving agency for the request for approval is not required to
- 14 be the accepting authority. The planning department for the
- 15 county in which the proposed action will occur shall be a
- 16 permissible accepting authority for the final statement.
- 17 Acceptance of a required final statement shall be a
- 18 condition precedent to approval of the request and commencement
- 19 of the proposed action. Upon acceptance or nonacceptance of the
- 20 final statement, the agency shall file notice of such
- 21 determination with the office. The office, in turn, shall

- 1 publish the determination of acceptance or nonacceptance of the
- 2 final statement pursuant to section 343-3.
- 3 The agency receiving the request, within thirty days of
- 4 receipt of the final statement, shall notify the applicant and
- 5 the office of the acceptance or nonacceptance of the final
- 6 statement. The final statement shall be deemed to be accepted
- 7 if the agency fails to accept or not accept the final statement
- 8 within thirty days after receipt of the final statement;
- 9 provided that the thirty-day period may be extended at the
- 10 request of the applicant for a period not to exceed fifteen
- 11 days.
- In any acceptance or nonacceptance, the agency shall
- 13 provide the applicant with the specific findings and reasons for
- 14 its determination. An applicant, within sixty days after
- 15 nonacceptance of a final statement by an agency, may appeal the
- 16 nonacceptance to the environmental council, which, within thirty
- 17 days of receipt of the appeal, shall notify the applicant of the
- 18 council's determination. In any affirmation or reversal of an
- 19 appealed nonacceptance, the council shall provide the applicant
- 20 and agency with specific findings and reasons for its
- 21 determination. The agency shall abide by the council's
- 22 decision."



1	PART VI.
2	SECTION 17. The provisions of this Act that repeal the
3	laws that previously authorized geothermal resources subzones
4	under chapter 205, Hawaii Revised Statutes, shall not affect any
5	geothermal resources producer who operates within the area of
6	the subzone as of the effective date of this Act. The
7	geothermal resources procedure shall continue to operate in
8	accordance with the lease with the board of land and natural
9	resources.
10	SECTION 18. Statutory material to be repealed is bracketed
11	and stricken. New statutory material is underscored.
12	SECTION 19. This Act shall take effect upon its approval.
13	

INTRODUCED BY:

JAN 2 4 2012

Report Title:

Geothermal Resources; Exploration; Subzones

Description:

Differentiates between "geothermal resources exploration" and "geothermal resources development" for purposes of mining leases and exploration permits. Designates "geothermal resources exploration" and "geothermal resources development" as permitted uses in all state land use districts and conservation district zones. Repeals geothermal resource subzone provisions under state land use law. Exempts geothermal resources exploration from environmental assessment and environmental impact statement requirement.

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