SENATE CONCURRENT RESOLUTION

URGING THE PUBLIC UTILITIES COMMISSION AND THE HAWAII ELECTRIC LIGHT COMPANY TO EXPEDITE THE CONCLUSION AND RESOLUTION OF REQUEST FOR PROPOSALS DOCKET NO. 2012-0092 FOR FIFTY MEGAWATTS OF GEOTHERMAL-DERIVED ELECTRICITY ON THE ISLAND OF HAWAII.

WHEREAS, section 269-92, Hawaii Revised Statutes, which establishes renewable portfolio standards, and subsequent Energy Policy Directives of the State of Hawaii support the development of Hawaii's indigenous geothermal resources as a key element of the State's diversified energy approach; and

WHEREAS, \$4,500,000,000 was expended to import oil into Hawaii in 2013, and the economy of the State remains highly vulnerable due to the annual export of dollars to import oil; and

WHEREAS, the Hawaii Geothermal Working Group studied the feasibility of geothermal development on Hawaii Island and found that geothermal energy can be developed as the cheapest and most reliable form of base load power for Hawaii County, and recommended that the State support the development of Hawaii's vast geothermal resources as a high priority for the State's energy and economic security; and

WHEREAS, the County of Hawaii, in its Replies to Statements of Position in Docket No. 2013-0141, stated that "the focus for the Island of Hawaii . . . is on energy projects that provide cost reduction benefits to ratepayers . . . and that improve and maximize integration of additional lower cost renewable energy"; and

WHEREAS, the State and County of Hawaii's priority for geothermal energy development and integration of geothermal electricity have not progressed for several reasons including:

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(1) The refusal of Hawaiian Electric Industries and its subsidiary utility companies to address "Principal Issues" in its Integrated Resource Plan (IRP) resulting in its failure to meet State requirements for Certification by the Independent Entity in July 2013:

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Numerous delays by Hawaii Electric Light Company, (2) Inc., (HELCO) in the posting and progression of a Request for Proposals For Renewable Geothermal Dispatchable Energy and Firm Capacity Resources for the Island of Hawaii, and its failure to address planning concerns of the Public Utilities Commission, specifically, HELCO's modeling and analysis of its system, excess capacity, fossil generation requirements, and treatment of dispatchable renewable energy generation, which was verified by the Independent Observer, Boston Pacific Company, Inc., in its letter to the Public Utilities Commission dated February 21, 2014, which stated in part, "we find the lack of clarity in HELCO's planning inhibits anyone from determining . . . how the project solicited by the RFP should be defined in terms of size, capacity factor and dispatchability"; and

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32 33 (3) HELCO's reluctance to retire its fossil fuel plants on Hawaii Island and accommodate more geothermal electricity as the most affordable and reliable firm renewable resource for Hawaii ratepayers, and the insistence of Hawaiian Electric Company and HELCO that the priority for the geothermal Request for Proposals is only performance standards that are comparable to the operational capabilities of the HELCO fossil fueled facilities; and

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WHEREAS, any further delay of the outstanding Request for Proposals For Renewable Geothermal Dispatchable Energy and Firm Capacity Resources for the Island of Hawaii to select a geothermal developer from a qualified final bidders group may not be in the public interest; now, therefore,

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BE IT RESOLVED by the Senate of The Twenty-seventh Legislature of the State of Hawaii, Regular Session of 2014, the House of Representatives concurring, that the Public Utilities President of HELCO.

Commission and HELCO are urged to expedite the conclusion and resolution of Request for Proposals Docket No. 2012-0092 for fifty megawatts of geothermal-derived electricity on the island of Hawaii; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Mayor of the County

8 of Hawaii, Chairperson of the Public Utilities Commission, and