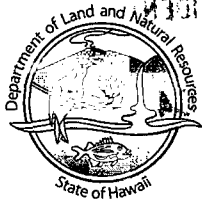


DAVID Y. IGE  
GOVERNOR OF  
HAWAII



SUZANNE D. CASE  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA  
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
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HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

DEPT. COMM. NO. 11

October 12, 2017

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Geothermal Royalty Dispositions and Status of Geothermal and Cable System Development Fiscal Year 2016 report, as required by Sections 182-18 and 196D-11, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <http://dlnr.hawaii.gov/reports/>.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne D. Case".

SUZANNE D. CASE  
Chairperson

Enclosure

Report to the Twenty-Ninth Legislature  
2018 Regular Session

**GEOHERMAL ROYALTIES DISPOSITIONS  
AND  
STATUS OF GEOHERMAL AND CABLE SYSTEM DEVELOPMENT  
FISCAL YEAR 2017**



Prepared by the

Department of Land and Natural Resources  
State of Hawaii

In response to  
Sections 182-18 and 196D-11, Hawaii Revised Statutes

October 2017

**GEOTHERMAL ROYALTIES DISPOSITIONS  
AND  
STATUS OF GEOTHERMAL AND CABLE SYSTEM DEVELOPMENT  
FISCAL YEAR 2017**

This report is prepared pursuant to Sections 182-18 and 196D-11, Hawaii Revised Statutes (HRS), and covers the period from July 1, 2016 through June 30, 2017.

Section 182-18, HRS – Geothermal Royalties

During Fiscal Year (FY) 2016-2017, a total of \$1,202,832.92 in geothermal royalties was received from Puna Geothermal Venture (PGV). In accordance with statutory provisions, \$360,849.88 (30%) was distributed to the County of Hawaii. Additionally, \$240,566.58 (20%) was distributed to the Office of Hawaiian Affairs. Geothermal royalties for FY 2016-2017 were based on the power production and sale of 276,029 megawatts to Hawaii Electric Light Company (HELCO) at an annual hourly average production of 31.5 megawatts.

Section 196D-11, HRS - Geothermal and Cable System Development

The Department of Land and Natural Resources is responsible for the effective management of geothermal resources and its development, to protect the health and safety of the public and to ensure the continued viability of the resource for the future. Currently, the Island of Hawaii is the only island benefiting from geothermal development. Power generation from geothermal energy began in May 1993 and, on average, annually provides more than 24% of the Island's power demands.

No program work was performed during the FY to effectuate the intent of this statute regarding an interisland deep water electrical transmission cable system.