

STAND. COM. REP. NO.

1034

Honolulu, Hawaii

MAR 23 2017

RE: H.B. No. 635
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Water and Land, to which was referred H.B. No. 635, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR THE NUUANU HYDROELECTRICITY PROJECT, "

beg leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to the Board of Water Supply to upgrade Nuuanu reservoir #4 to meet dam safety standards, as a component of the Nuuanu hydroelectricity project.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Board of Water Supply, Ulupono Initiative, American Society of Civil Engineers Hawaii Section, and Healthy Climate Communities. Your Committees received testimony in opposition to this measure from the Hui Malama 'Auwai O Nu'uuanu. Your Committees received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committees find that achieving the stated goal of transitioning Hawaii to a clean energy economy is essential for the State's future sustainability. Achieving a one hundred percent renewable energy economy will require the utilization of



all available renewable energy resources, including hydroelectricity. There is great potential for hydroelectric energy generation on the Island of Oahu, with at least one estimate suggesting that there may be as much as one hundred to two hundred megawatts of pumped storage hydro on the island. The Nuuanu hydroelectricity project, which will connect existing reservoirs in Nuuanu valley to generate renewable hydroelectric energy, provide energy storage of off-peak solar or wind energy supplies, and supplement usable groundwater supplies, can play a central role in harnessing Oahu's hydroelectric energy potential. Nuuanu reservoir #4 is an essential component of the Nuuanu hydroelectricity project. However, your Committees understand the testimony of the Department of the Attorney General explaining that the intent of this measure is to upgrade Nuuanu reservoir #4 to comply with applicable dam safety standards in anticipation of future hydroelectric energy generation.

Accordingly, your Committees have amended this measure by:

- (1) Changing references to part VI, chapter 39A, Hawaii Revised Statutes, to part XII, chapter 39A, Hawaii Revised Statutes; and
- (2) Clarifying language to make clear that this measure is a reservoir upgrade project and not an electricity generation project.

Your Committees also note that upgrades to Nuuanu reservoir #4 present some significant potential risks to families living downstream. Consequently, your Committees are concerned about the potential impacts on families in the area of any dam project. Accordingly, your Committees want to ensure that those potentially impacted families are given proper and timely notice so that they may be involved in any discussions relating to dam upgrades. Your Committees, therefore, urge the Board of Water Supply to mail timely notices to each family that could potentially be impacted by the dam project to inform those families of public hearings on the project so that those families may attend the hearings to offer comments and have their concerns addressed.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Water and Land that are attached to this report, your Committees are in accord with



the intent and purpose of H.B. No. 635, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 635, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Water and Land,

Karl Rhoads

KARL RHOADS, Chair

Lorraine R. Inouye

LORRAINE R. INOUE, Chair



Record of Votes
Committee on Transportation and Energy
TRE

*Only one measure per Record of Votes

Record of Votes
Committee on Water and Land
WTL

*Only one measure per Record of Votes