
HOUSE RESOLUTION

REQUESTING THE PUBLIC UTILITIES COMMISSION TO GRANT A WAIVER
ALLOWING HAWAII ELECTRIC AND LIGHT COMPANY TO CONTINUE ITS
NEGOTIATIONS WITH KAHUA RANCH AND NA MAKANI MOA E KU, LLC,
ON THE KAHUA FAST-RESPONSE HYDRO PROJECT.

1 WHEREAS, one of the foremost obstacles to the development
2 and implementation of many renewable energy generating sources
3 is the intermittent nature of these sources, such as a lack of
4 sunshine or wind; and

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6 WHEREAS, an electrical public utility such as Hawaii
7 Electric and Light Company (HELCO) must ensure that its
8 customers receive reliable and continuous service; and

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10 WHEREAS, Na Makani Moa e Ku has been identified as a
11 possible project in the energy agreement signed on October 20,
12 2008, between the State of Hawaii, the Division of Consumer
13 Advocacy of the Department of Commerce and Consumer Affairs, and
14 the Hawaiian Electric Companies, where all parties to the
15 agreement are "committed to the rapid development of as much
16 renewable energy as possible," with a goal of having this
17 project on line by 2015; and

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19 WHEREAS, Kahua Ranch (Kahua) and Na Makani Moa e Ku, LLC
20 (Na Makani), have developed the Kahua Fast-Response Hydro
21 Project that uses wind energy as a renewable energy source, but
22 also as a part of a pumped hydro electric system that uses
23 renewable energy during non-peak hours to pump water up to a
24 storage reservoir, which serves as a fast-response source of
25 "stored" energy that is available to accommodate any sudden drop
26 of energy from the renewable wind energy source; and

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28 WHEREAS, Kahua and Na Makani have been negotiating with
29 HELCO since 2006 on grid integration and the implementation of
30 the Kahua Fast-Response Hydro Project as a pilot project that
31 may eventually be used in other locations in the state to back
32 up intermittent renewable energy sources; and



1 WHEREAS, in January 2009, the Public Utilities Commission
2 (PUC) ordered HELCO to terminate its negotiations with Kahua and
3 Na Makani on the Kahua Fast-Response Hydro Project pilot
4 project, presumably due to its desire to institute competitive
5 bidding for renewable energy and to decouple renewable energy
6 from fossil fuels based on "avoided costs" as mandated by
7 federal law and regulation; and

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9 WHEREAS, PUC has stated that the competitive bidding
10 process does not preclude HELCO from reinstating negotiations
11 on the Kahua Fast-Response Hydro Project as a pilot project, and
12 a waiver can be granted where competitive bidding would impede a
13 project or create a disincentive for the achievement of the
14 State's renewable portfolio standards or similar state
15 objectives; and

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17 WHEREAS, competitive bidding would not be applicable in the
18 case of the Kahua Fast-Response Hydro Project because it is a
19 pilot project located on a unique site that will demonstrate the
20 feasibility of pump hydro as a new technology in grid
21 integration and energy storage technology that will lead to open
22 markets for competitive bidding by renewable energy projects in
23 the future; now, therefore,

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25 BE IT RESOLVED by the House of Representatives of the
26 Twenty-fifth Legislature of the State of Hawaii, Regular Session
27 of 2009, that the Public Utilities Commission is requested to
28 grant a waiver allowing the Hawaii Electric and Light Company to
29 continue negotiations with Kahua Ranch and Na Makani Moe e Ku,
30 LLC, to implement the Kahua Fast-Response Hydro Project as a
31 pilot project to prove the efficacy of using pumped hydro as a
32 reliable method of energy storage; and

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34 BE IT FURTHER RESOLVED that certified copies of this
35 Resolution be transmitted to the Chairperson of the Public
36 Utilities Commission, Kahua Ranch, Na Makani Moa e Ku, LLC, and
37 Hawaii Electric Light Company.

