

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

NEIL ABERCROMBIE  
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Statement of  
**RICHARD C. LIM**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON  
FINANCE**

Tuesday, February 28, 2012  
2:00 PM  
State Capitol, Conference Room 308

in consideration of  
**HB 2690 HD1**  
**RELATING TO GEOTHERMAL RESOURCES**

Chair Oshiro, Vice Chair Lee, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports HB 2690 HD1 and defers to the Department of Land and Natural Resources (DLNR) on the specifics of the bill. DLNR is the agency directly affected by the provisions of this bill.

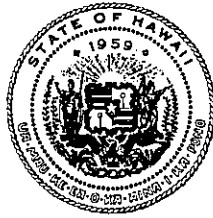
We support DLNR's ongoing process to request certain exemptions from the Environmental Council relating to geothermal exploration. We also support the elimination of subzone designation. The subzone process deters geothermal exploration without adding value because there are multiple opportunities for public comment on any proposed geothermal development, including both during the preparation of an EA or EIA and during hearings of the Board of Land and Natural Resources (BLNR). Landowner rights would not be affected as neither geothermal exploration nor development can take place without permission of the surface

landowner. Furthermore, the onus of providing evidence of the existence of a geothermal resource would lie with the developer rather than with BLNR.

Presently, exploration is a major economic risk to geothermal developers since a significant amount of effort is required to determine if a geothermal resource is likely to be found in a particular location and since most exploration activities do not result in the identification of a commercially viable resource. Reducing this risk, in part by reducing the time necessary to complete exploration and development, will encourage geothermal exploration and increase the likelihood that geothermal will increase its contribution to Hawaii's renewable energy portfolio.

Thank you for the opportunity to offer these comments in support of HB 2690 HD1.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**Before the House Committee on  
FINANCE**

**Tuesday, February 28, 2012  
2:00 P.M.**

**State Capitol, Conference Room 308**

**In consideration of  
HOUSE BILL 2690, HOUSE DRAFT 1  
RELATING TO GEOTHERMAL RESOURCES**

**LATE TESTIMONY**

WILLIAM J. AILA, JR.  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI  
FIRST DEPUTY

WILLIAM M. TAM  
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  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

House Bill 2690, House Draft 1 proposes to differentiate between “geothermal resources exploration” and “geothermal resources development” for the 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; and repeals geothermal resource subzone provisions under state land use law. The Department of Land and Natural Resources (Department) strongly supports this measure.

The Department is tasked with the management of geothermal resources and its development to protect the health and safety of the public and to ensure continued viability of the resource. Geothermal resources development in Hawaii is a priority and has contributed to energy diversification in the State. Geothermal energy has proven to be a viable component to meet the State’s renewable energy goals which will reduce the dependence on imported fossil fuels.

Facilitating geothermal exploration will lead to expanded production which is consistent with our energy goals and will benefit the environment and the rate payers in the State of Hawaii. By eliminating geothermal subzone designation requirements, this measure would help to streamline the existing regulatory process to assist developers in reducing their cost, risk, and time needed to explore for geothermal resources. If an area has geothermal potential, the development of geothermal resources can be properly reviewed and authorized through a permitting process which is not dependent on a prior subzone designation.

Thank you for the opportunity to comment.