

Bill #: HB 106 HD1

Date: Monday, February 11, 2013 at 8:30 am

Location: Conference Room 325

Committee: EEP, WAL, FIN

The Innovations Development Group (IDG) is a Hawaii based corporation with a focus on the development of native owned lands & energy resources in a manner that is culturally appropriate, environmentally clean & sustainable, socially responsible and economically equitable. For over 10 years, the IDG has worked with indigenous peoples, not only as consultants but also as joint venture partners, to develop geothermal energy in New Zealand. IDG's board members are residents of the State of Hawaii who were born and raised in our State, many board members are native Hawaiians.

The IDG strongly supports this measure.

IDG supports this measure because it addresses an omission in the law that needs to be corrected. When this section of the law was initially adopted, geothermal energy producers & developers were left out. This omission was due to an old bias against geothermal energy development in Hawaii and the mistaken belief that Hawaiians oppose geothermal development.

Hawaii law, found in Part V – Renewable Portfolio Standards, Hawaii Revised Statutes, 269-91 defines “renewable energy as including GEOTHERMAL ENERGY”

Hawaii Law says:

"Renewable energy" means energy generated or produced using the following sources:

- (1) Wind;
- (2) The sun;
- (3) Falling water;
- (4) Biogas, including landfill and sewage-based digester gas;
- (5) **Geothermal**;
- (6) Ocean water, currents, and waves, including ocean thermal energy conversion;
- (7) Biomass, including biomass crops, agricultural and animal residues and wastes, and municipal solid waste and other solid waste;
- (8) Biofuels; and
- (9) **Hydrogen** produced from renewable energy sources." [HRS 269-91 (2) (5)]

Although geothermal energy is part of our State law, it has been left out of many statutes that refer to “Renewable Energy” & “Renewable Energy Producers.” This Bill will correct these omissions. It is time for the legislature to correct these discrepancies and conform all statutes to HRS 269-91.

Today, geothermal resource development is a significant part of Hawaii's energy future and planning. It is referenced in the HCEI as well as the Federal-State Executive 2008 Agreement on Energy. Today, for the first time in 30 years, the HECO has posted an RFP for geothermal power on Hawaii Island and announced that it will post a second RFP for geothermal resource development on Maui. Today, Hawaiians like the Innovations Development Group, and our State Senators from Hawaii Island are supporting geothermal energy development as the most affordable and plentiful source of base-load energy for Hawaii Island & possibly the State.

In 2010 the State Legislature passed a Senate Concurrent Resolution #99 establishing a Working Group on Hawaii Island to conduct a 2 years study of the viability of geothermal development. Its membership represented a cross section of stakeholders & residents including energy producers, labor, government, farmers, grass root Hawaiians, business, and scientists. The Working Group filed 2 reports to the State Legislators in 2011 and 2012. Its recommendations were presented to the Legislature in 2012. They included the following:

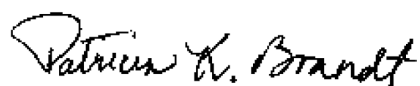
- Using MULTIPLE geothermal plants is the most prudent approach
- Historically in Hawaii geothermal is the cheapest energy source even cheaper than coal (usually considered cheapest fuel source for energy)
- Geothermal power has potential to supply base-load electricity, although it has not yet demonstrated base-load consistency in its application in Hawaii
- Geothermal is a renewable resource indigenous to Hawaii Island and can neutralize the price volatility of petroleum fuel for the county of Hawaii, both in terms of electrical grid and transportation
- Additionally, products that assist island agriculture can be cost-effectively produced with geothermal and replace the importation of products made on the Continental US from fossil fuels.
- Geothermal has a significant potential to be Hawaii Island's primary energy resource – Geothermal Working Group Final Report – January 1, 2012.

IDG also supports this measure because it provides a significant incentive for private sector to expend significant funds (millions) for the evaluation, geothermal exploration & assessment of the States & Public Trust Geothermal Resources. This incentive is the opportunity to develop the States geo-resources. The State has known for many years that it has huge geo-resources, however the State has never had the money, science expertise or technology to conduct geothermal exploration. This measure will address this State need by providing that developers & producers who invest in costly exploration can develop the resource if the testing proves up.

It is time that geothermal developers & producers are included in the definition of renewable energy producers for our State. It is now time to implement the recommendations of the Geothermal Working Group.

IDG urges the State Legislature to adopt this measure.

Mahalo,



Patricia Brandt,
CEO, Innovations Development Group



Indigenous Consultants, LLC

Mililani B. Trask, Principal

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Bill #: HB 932 HD1

Date and Time: Monday, February 11, 2013 at 8:30 am

Location: Conference Room 325

Committee: EEP, WAL

Indigenous Consultants (IC) is a Hawaii based, Indigenous LLC owned and operated by Native Hawaiians. It was created to assist indigenous peoples in developing their renewable energy resources in ways that are: Culturally appropriate, environmentally green and sustainable, socially responsible and economically equitable and affordable. For several years the IC has worked with Innovations Development Group in New Zealand and indigenous Maori developing geothermal resources, which are trust assets of Maori Land Trusts. In addition, the IC has acted as a consultant to other indigenous people in Hawaii and Asia who are addressing development of their trust renewable energy resources in ways that; directly benefit their people, bring in revenues, create small business opportunities and ensure fair & affordable rates to consumers, including themselves and their communities.

Indigenous Consultants supports this legislation because it is inclusive of all renewable energy developers and producers, including those who work with geothermal resources. In addition, this measure addresses a problem that has prevented private sector energy producers from bringing their technologies and financial resources to Hawaii for the last 20 years.

In Hawaii, the law requires that any person or entity seeking a general lease for State land must go through a public auction process. This means that a geothermal producer, who comes to Hawaii, obtains an exploratory license and expends several million dollars testing for geothermal resources, may not be able to obtain a general lease for production. This measure will allow geothermal producers to obtain a general lease if they have invested in our States energy future by assuming the cost for exploring & assessing Hawaii's ge-resources. This measure provides an incentive for private sector to pick up the costs for exploration in return for the opportunity to develop those resources.

In the past, Ormat Nevada (Puna Geothermal Venture) was given a license for exploration of our mineral & energy resources, but the State was not allowed to obtain the data! Ormat has kept all data pertaining to the Puna geothermal field as its private proprietary property! In effect, the State was allowing private testing of public trust resources but was preventing itself, as the Trustee of those resources, from acquiring information about its own resources.

The State, as Trustee of our energy resources, has a Trust obligation to inventory, protect and develop our energy resources in a manner that brings a primary benefit to the State & its public & native beneficiaries. The old practice of allowing private sector to withhold data relating to energy resources was a breach of trust, this measure finally addresses the problem by requiring that the resource assessment data be “turned over to the board” and kept secret for a period of 6 months, to allow the license holder to apply for a general lease. This approach protects the opportunity for private sector partners to develop while ensuring that the State Trustee has all available data on its geothermal resources.

Last session the legislature amended our State planning statutes to prioritize the development of indigenous energy resources on public trust lands for the public benefit. It also received the final report of the Hawaii Island Geothermal Working Group that recommended that the State pursue geothermal development as the primary source for base-load power. This measure moves Hawaii forward to achieve its goals of energy self-sufficiency and should be passed by the legislature.

Regards,

A handwritten signature in black ink, appearing to read "Mililani B. Trask". The signature is written in a cursive style with a horizontal line extending to the right.

Mililani B. Trask – Indigenous Consultants LLC

lowen2-Anosh

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 10:05 PM
To: waltestimony
Cc: paul@punapono.com
Subject: Submitted testimony for HB932 on Feb 11, 2013 08:30AM

HB932

Submitted on: 2/10/2013

Testimony for WAL on Feb 11, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Kuykendall	Individual	Oppose	No

Comments: I request you defeat this bill. It is another special favor to geothermal developers at the expense of fairness and transparency. The state, as a trustee of this resource, has an obligation to maximize lease revenue by holding a public auction. Mahalo

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 10:09 PM
To: waltestimony
Cc: suzanne@punapono.com
Subject: Submitted testimony for HB932 on Feb 11, 2013 08:30AM

HB932

Submitted on: 2/10/2013

Testimony for WAL on Feb 11, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Suzanne Wakelin	Individual	Oppose	No

Comments: Please vote NO on this bill. Act 97 must be completely repealed before considering any other legislation. Mahalo.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 10, 2013 10:48 PM
To: waltestimony
Cc: OccupyHiloMedia@yahoo.com
Subject: Submitted testimony for HB932 on Feb 11, 2013 08:30AM

HB932

Submitted on: 2/10/2013

Testimony for WAL on Feb 11, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kerri Marks	Individual	Oppose	No

Comments: Act 97 must be repealed and geothermal subzones reinstated before you can consider changing any other legislation regarding geothermal exploration. Exploration is the most invasive and dangerous part of geothermal energy production. Permitting procedures must include the Counties.

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lowen2-Anosh

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 11, 2013 2:33 AM
To: waltestimony
Cc: nimo1767@gmail.com
Subject: Submitted testimony for HB932 on Feb 11, 2013 08:30AM

HB932

Submitted on: 2/11/2013

Testimony for WAL on Feb 11, 2013 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Petricci	Puna Pono Alliance	Oppose	No

Comments: Feb 11, 2013 8:30 AM Re: HB392 WAL Position - Oppose. Representing Puna Pono Alliance. Aloha Chair Evans and committee members. Puna Pono Alliance believes provisions in this bill are geared specifically to promote so called "Enhanced Geothermal Systems" (EGS) that is for all intents and purposes geothermal fracking. Make no mistake EGS is quite different than traditional geothermal and requires rigorous review in light of serious problems associated with the technology. Most notably in Switzerland that closed down the project there after 9 million dollars in damage was sustained from earthquakes induced EGS. While the earthquakes were not as severe in California none the less they caused enough concern to shut down the Altrarock project there as well. Traditional geothermal already has a tainted history in Hawaii. The states infamous HGP-A power plant and the PGV plant are by far the two power plants with the worst history of accidents and impacts to area residents in Hawaii of any power plants in our state history. The opposition you see to geothermal in Hawaii is in large part a direct result of two things. The accidents, leaks, and noise the plants historically have caused and the failure of government to protect the surrounding communities or include them in any meaningful way in the permitting process. HB932 would add to the historically flawed and failed state geothermal policy. HB932 should not become law before you understand what EGS is, and the risk it presents. Puna Pono Alliance believes the risk posed by the new EGS technology is substantial, not understood adequately yet, and could potentially have devastating effects on our unstable geology. EGS presents it's own requirements for regulation so far removed from current policy that this bill should not be passed until a thorough independent analysis and review is done and an EIS process is completed. Thank you for your consideration. We urge you to go slow here and get the facts before moving further into this new and uncharted geothermal territory. Sweden paid a high price already, we should look at this much more carefully before enacting laws to fast track technology most people have never heard of and that few understand the risk it presents. Robert Petricci President Puna Pono Alliance

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