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# SENATE CONCURRENT RESOLUTION

REQUESTING THE PUBLIC UTILITIES COMMISSION TO ISSUE AN ORDER IN THE REQUEST FOR PROPOSALS DOCKET NO. 2012-0092 TO ENSURE THAT THE POWER SUPPLY IMPROVEMENT PLAN (ORDERED IN THE HUHONUA DOCKET) AND DUE APRIL 21, 2014, ADDRESSES THE PLAN TO INTEGRATE FIFTY MEGAWATTS OF GEOTHERMAL-DERIVED ELECTRICITY ONTO THE HAWAIIAN ELECTRIC COMPANY GRID WITHIN TWO YEARS OF THE AWARDED OF THE REQUEST FOR PROPOSALS AND REQUIRES THAT HAWAIIAN ELECTRIC COMPANY RETIRE ITS FOSSIL FUEL PLANTS ON HAWAII ISLAND BY A DATE CERTAIN.

1           WHEREAS, section 269-92, Hawaii Revised Statutes, which  
2 establishes renewable portfolio standards, and subsequent Energy  
3 Policy Directives of the State of Hawaii support the development  
4 of Hawaii's indigenous geothermal resources as a key element of  
5 the State's diversified energy approach; and

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7           WHEREAS, \$4,500,000,000 was expended to import oil into  
8 Hawaii in 2013, and the economy of the State remains highly  
9 vulnerable due to the annual export of dollars to import oil;  
10 and

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12           WHEREAS, the Hawaii Geothermal Working Group studied the  
13 feasibility of geothermal development on Hawai'i Island and found  
14 that geothermal energy can be developed as the cheapest and most  
15 reliable form of base load power for Hawai'i County, and  
16 recommended that the State support the development of Hawaii's  
17 vast geothermal resources as a high priority for the State's  
18 energy and economic security; and

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20           WHEREAS, the County of Hawaii, in its Statement of Position  
21 in Docket No. 2013-0141, stated that "the focus for the Island  
22 of Hawaii is on energy projects that provide cost reduction  
23 benefits to ratepayers . . . and that improve and maximize  
24 integration of additional lower cost renewable energy"; and  
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1 WHEREAS, the State and County of Hawaii's priority for  
2 geothermal energy development and integration of geothermal  
3 electricity has not progressed for several reasons including:  
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- 5 (1) The refusal of Hawaiian Electric Industries and its  
6 subsidiary utility companies to address "Principle  
7 Issues" in its Integrated Resource Plan (IRP)  
8 resulting in its failure to meet State requirements  
9 for Certification by the Independent Entity in July  
10 2013;  
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- 12 (2) Numerous delays by Hawaiian Electric Light Company  
13 (HELCO) in the posting and progression of a Request  
14 for Proposals For Renewable Geothermal Dispatchable  
15 Energy and Firm Capacity Resources for the Island of  
16 Hawaii, and its failure to address planning concerns  
17 of the Public Utilities Commission, specifically,  
18 HELCO's modeling and analysis of its system, excess  
19 capacity, fossil generation requirements, and  
20 treatment of dispatchable renewable energy generation,  
21 which was verified by the Independent Observer, Boston  
22 Pacific, in its letter to the Public Utilities  
23 Commission dated February 21, 2014, which stated in  
24 part, "we find the lack of clarity in HELCO's planning  
25 inhibits anyone from determining . . . how the project  
26 solicited by the RFP should be defined in terms of  
27 size, capacity factor and dispatchability"; and  
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- 29 (3) HELCO's reluctance to retire its fossil fuel plants on  
30 Hawaii Island and accommodate more geothermal  
31 electricity as the most affordable and reliable firm  
32 renewable resource for Hawaii ratepayers, and the  
33 insistence of Hawaiian Electric Company and HELCO that  
34 the priority for the geothermal Request for Proposals  
35 is only performance standards that are comparable to  
36 the operational capabilities of the HELCO fossil  
37 fueled facilities; and  
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39 WHEREAS, the Public Utilities Commission has found that  
40 ratepayers on Hawaii Island pay nearly four times the national  
41 rate of electricity (42 cents per kilowatt hour) as the result  
42 of an existing HELCO geothermal avoided cost contract, which  
43 requires that ratepayers are charged the cost of fossil fuel  
44 rather than the cost of geothermal energy, and which the Public



1 Utilities Commission has determined is not in the public  
2 interest; and  
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4 WHEREAS, any further delay of the outstanding Request for  
5 Proposals For Renewable Geothermal Dispatchable Energy and Firm  
6 Capacity Resources for the Island of Hawaii to select a  
7 geothermal developer from a qualified final bidders group is not  
8 in the public interest; now, therefore,  
9

10 BE IT RESOLVED by the Senate of The Twenty-Seventh  
11 Legislature of the State of Hawaii, Regular Session of 2014, the  
12 House of Representatives concurring, that the Public Utilities  
13 Commission is requested to issue an order in the Request for  
14 Proposals Docket No. 2012-0092 to ensure that the power supply  
15 improvement plan (ordered in the Hu Honua docket and due  
16 April 21, 2014, which addresses the plan to integrate fifty  
17 megawatts of geothermal-derived electricity onto the Hawaiian  
18 Electric Company grid within two years of the awarding of the  
19 Request for Proposals and requires that Hawaiian Electric  
20 Company retire its fossil fuel plants on Hawaii Island by a date  
21 certain; and  
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23 BE IT FURTHER RESOLVED that the Public Utilities Commission  
24 is requested to ensure that the Request for Proposals final  
25 award is made no later than September 2014, by Decision and  
26 Order in the event HELCO refuses to make or is incapable of  
27 making an award to one or more bidders; and  
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29 BE IT FURTHER RESOLVED that certified copies of this  
30 Concurrent Resolution be transmitted to the Mayor of the County  
31 of Hawaii, Chairperson of the Public Utilities Commission, and  
32 President of Hawaiian Electric Industries Inc.  
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