
SENATE 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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26 WHEREAS, the State and County of Hawaii's priority for
27 geothermal energy development and integration of geothermal
28 electricity has not progressed for several reasons including:
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- 1 (1) The refusal of Hawaiian Electric Industries and its
2 subsidiary utility companies to address "Principle
3 Issues" in its Integrated Resource Plan (IRP)
4 resulting in its failure to meet State requirements
5 for Certification by the Independent Entity in July
6 2013;
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- 8 (2) Numerous delays by Hawaiian Electric Light Company
9 (HELCO) in the posting and progression of a Request
10 for Proposals For Renewable Geothermal Dispatchable
11 Energy and Firm Capacity Resources for the Island of
12 Hawaii, and its failure to address planning concerns
13 of the Public Utilities Commission, specifically,
14 HELCO's modeling and analysis of its system, excess
15 capacity, fossil generation requirements, and
16 treatment of dispatchable renewable energy generation,
17 which was verified by the Independent Observer, Boston
18 Pacific, in its letter to the Public Utilities
19 Commission dated February 21, 2014, which stated in
20 part, "we find the lack of clarity in HELCO's planning
21 inhibits anyone from determining . . . how the project
22 solicited by the RFP should be defined in terms of
23 size, capacity factor and dispatchability"; and
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- 25 (3) HELCO's reluctance to retire its fossil fuel plants on
26 Hawaii Island and accommodate more geothermal
27 electricity as the most affordable and reliable firm
28 renewable resource for Hawaii ratepayers, and the
29 insistence of Hawaiian Electric Company and HELCO that
30 the priority for the geothermal Request for Proposals
31 is only performance standards that are comparable to
32 the operational capabilities of the HELCO fossil
33 fueled facilities; and
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35 WHEREAS, the Public Utilities Commission has found that
36 ratepayers on Hawaii Island pay nearly four times the national
37 rate of electricity (42 cents per kilowatt hour) as the result
38 of an existing HELCO geothermal avoided cost contract, which
39 requires that ratepayers are charged the cost of fossil fuel
40 rather than the cost of geothermal energy, and which the Public
41 Utilities Commission has determined is not in the public
42 interest; and
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1 WHEREAS, any further delay of the outstanding Request for
2 Proposals For Renewable Geothermal Dispatchable Energy and Firm
3 Capacity Resources for the Island of Hawaii to select a
4 geothermal developer from a qualified final bidders group is not
5 in the public interest; now, therefore,
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7 BE IT RESOLVED by the Senate of The Twenty-Seventh
8 Legislature of the State of Hawaii, Regular Session of 2014,
9 that the Public Utilities Commission is requested to issue an
10 order in the Request for Proposals Docket No. 2012-0092 to
11 ensure that the power supply improvement plan (ordered in the Hu
12 Honua docket and due April 21, 2014, which addresses the plan to
13 integrate fifty megawatts of geothermal-derived electricity onto
14 the Hawaiian Electric Company grid within two years of the
15 awarding of the Request for Proposals and requires that Hawaiian
16 Electric Company retire its fossil fuel plants on Hawaii Island
17 by a date certain; and
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19 BE IT FURTHER RESOLVED that the Public Utilities Commission
20 is requested to ensure that the Request for Proposals final
21 award is made no later than September 2014, by Decision and
22 Order in the event HELCO refuses to make or is incapable of
23 making an award to one or more bidders; and
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25 BE IT FURTHER RESOLVED that certified copies of this
26 Resolution be transmitted to the Mayor of the County of Hawaii,
27 Chairperson of the Public Utilities Commission, and President of
28 Hawaiian Electric Industries Inc.
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