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## SENATE RESOLUTION

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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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