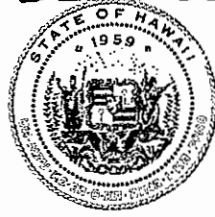


DAVID Y. IGE
GOVERNOR OF
HAWAII



DEPT. COMM. NO. 44



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
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
KAILOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

December 1, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki, Speaker
and Members of the House of
Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Geothermal Royalty Dispositions and Status of Geothermal and Cable System Development Fiscal Year 2016 report, as required by Sections 182-18 and 196D-11, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <http://dlnr.hawaii.gov/reports/>.

Sincerely,

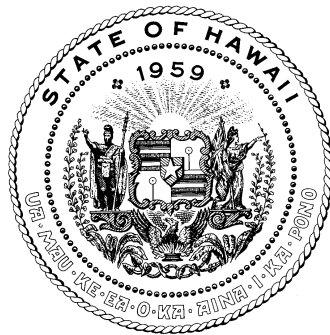
A handwritten signature in cursive script, appearing to read "Suzanne Case".

SUZANNE CASE, Chair
Board of Land and Natural Resources

Enclosure

Report to the Twenty-Ninth Legislature
2017 Regular Session

**GEOHERMAL ROYALTIES DISPOSITIONS
AND
STATUS OF GEOHERMAL AND CABLE SYSTEM DEVELOPMENT
FISCAL YEAR 2016**



Prepared by the

Department of Land and Natural Resources
State of Hawaii

In response to
Sections 182-18 and 196D-11, Hawaii Revised Statutes

November 2016

**GEOTHERMAL ROYALTIES DISPOSITIONS
AND
STATUS OF GEOTHERMAL AND CABLE SYSTEM DEVELOPMENT
FISCAL YEAR 2016**

This report is prepared pursuant to Sections 182-18 and 196D-11, Hawaii Revised Statutes (HRS), and covers the period from July 1, 2015 through June 30, 2016.

Section 182-18, HRS – Geothermal Royalties

During Fiscal Year (FY) 2015-2016, a total of \$1,022,957.76 in geothermal royalties was received from Puna Geothermal Venture (PGV). In accordance with statutory provisions, \$306,887.33 (30%) was distributed to the County of Hawaii. Additionally, \$204,591.55 (20%) was distributed to the Office of Hawaiian Affairs. Geothermal royalties for FY 2015-2016 were based on power production and sale of 221,412 megawatts to Hawaii Electric Light Company (HELCO) at an annual hourly average production of 26.2 megawatts.

Section 196D-11, HRS - Geothermal and Cable System Development

The Department of Land and Natural Resources is responsible for the effective management of geothermal resources and its development, to protect the health and safety of the public and to ensure the continued viability of the resource for the future. Currently, the Island of Hawaii is the only island benefiting from geothermal development. Power generation from geothermal energy began in May 1993 and, on average, annually provides more than 20% of the Island's power demands.

No program work was performed during the FY to effectuate the intent of this statute regarding an interisland deep water electrical transmission cable system.