
SENATE RESOLUTION

URGING THE BOARD OF LAND AND NATURAL RESOURCES TO EXPEDITE THE
DISPOSITION OF THE LONG-TERM WATER RIGHTS LEASES FOR
HAWAIIAN ELECTRIC'S NON-CONSUMPTIVE WATER USE ALONG THE
WAILUKU RIVER.

1 WHEREAS, climate change resulting from greenhouse gas is a
2 recognized threat to Hawaii's forests and coastal ecosystems,
3 and a transition to renewable energy sources is an important
4 step in protecting Hawaii's watersheds; and
5

6 WHEREAS, one of the key goals of Hawaii's one hundred
7 percent renewable energy mandate is to reduce and stabilize
8 costs by reducing reliance on oil; and
9

10 WHEREAS, hydroelectricity, or generating electricity by
11 using falling water to turn a turbine and then returning it to
12 its source, is the oldest and one of the least expensive
13 renewable energy resources in Hawaii; and
14

15 WHEREAS, even as new technologies like wind and solar have
16 surpassed hydroelectricity in the effort to reach one hundred
17 percent renewable energy, hydroelectricity remains an important
18 part of the State's portfolio of energy resources; and
19

20 WHEREAS, one of the benefits of hydroelectricity is its
21 very low cost, enabling Hawaiian Electric to pass energy savings
22 on to customers; and
23

24 WHEREAS, for more than one hundred years, the run-of-the-
25 river operations along the Wailuku River in Hilo have reliably
26 supplied a portion of Hawaii island's renewable energy needs;
27 and
28

29 WHEREAS, Hawaiian Electric manages two hydroelectric
30 generating plants, known as Puueo Hydro and Waiau Hydro, along
31 the Wailuku River; and
32



1 WHEREAS, Hawaiian Electric's use of the Wailuku River water
2 is non-consumptive; the same amount of water is returned to the
3 same river from which the water is diverted; and
4

5 WHEREAS, in 2016, the Department of Land and Natural
6 Resources' Revocable Permit Task Force recommended that the
7 Department of Land and Natural Resources work with revocable
8 water permit holders to initiate the process to convert the
9 revocable permits to water leases by the end of 2019; and
10

11 WHEREAS, in August 2016, Hawaiian Electric submitted an
12 application to the Board of Land and Natural Resources for a
13 long-term water lease; and
14

15 WHEREAS, in October 2018, the Department of Land and
16 Natural Resources transmitted the final environmental assessment
17 of the Wailuku River hydroelectric facilities long-term water
18 lease, with a finding of no significant impact, to the Office of
19 Environmental Quality Control for publication; and
20

21 WHEREAS, the lease process has not yet been fully defined
22 by the State, making it difficult for the Board of Land and
23 Natural Resources to dispose of long-term water rights; and
24

25 WHEREAS, Hawaiian Electric's lease application is unique in
26 that it involves water only; no public lands are involved; and
27

28 WHEREAS, the infrastructure used to divert water from the
29 Wailuku River to the hydropower plants is owned by Hawaiian
30 Electric on land owned by Hawaiian Electric and therefore does
31 not require the use of any diversion works or state lands; and
32

33 WHEREAS, in August 2018, Waiiau Hydro was heavily damaged
34 during Hurricane Lane and has been offline since that time; and
35

36 WHEREAS, in order to invest in the necessary repairs and
37 upgrades to increase capacity of Waiiau Hydro, Hawaiian Electric
38 requires a long-term water lease; and
39

40 WHEREAS, no other entity could qualify to bid on this
41 particular water lease because the water would have to be
42 diverted at different locations, which would require an



1 amendment to the interim instream flow standard that is set
2 forth in sections 13-169-40, et. seq., Hawaii Administrative
3 Rules; and

4

5 WHEREAS, the last long-term hydroelectric lease was
6 executed in 1991 and authorized the non-consumptive use of water
7 from the same Wailuku River in Hilo for generation of
8 hydroelectricity using lease rent based on rates that the
9 Federal Energy Regulatory Commission (FERC) charges
10 hydroelectric generators for use of federal dams and reservoirs;
11 now, therefore,

12

13 BE IT RESOLVED by the Senate of the Thirtieth Legislature
14 of the State of Hawaii, Regular Session of 2020, that the Board
15 of Land and Natural Resources is urged to expedite the
16 disposition of the long-term water leases for Hawaiian
17 Electric's non-consumptive use along the Wailuku River; and

18

19 BE IT FURTHER RESOLVED that the Board of Land and Natural
20 Resources is urged to base the lease rent on the FERC charges
21 calculated by the amount of energy produced by the hydroelectric
22 generating plant; and

23

24 BE IT FURTHER RESOLVED that certified copies of this
25 Resolution be transmitted to the Chairperson of the House of
26 Representatives Committee on Water, Land, & Hawaiian Affairs;
27 Chairperson of the Senate Committee on Water and Land; Mayor of
28 the County of Hawaii; Chairperson of the Board of Land and
29 Natural Resources; and President and Chief Executive Officer of
30 Hawaiian Electric.

