

DAVID Y. IGE
GOVERNOR OF
HAWAII



DEPT. COMM. NO. 1

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LAND
STATE PARKS

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

December 2, 2020

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

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

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

For your information and consideration, I am transmitting a copy of the Geothermal Royalties Dispositions and Status of Geothermal and Cable System Development Fiscal Year 2020 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 <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2021/EN21-Geothermal-Report-FY20.pdf>.

Sincerely,

A handwritten signature in black ink that reads "Suzanne D. Case".

SUZANNE D. CASE
Chairperson

Enclosure

Report to the Thirty-First Legislature
2021 Regular Session

**GEOHERMAL ROYALTIES DISPOSITIONS
and
STATUS OF GEOHERMAL AND CABLE SYSTEM DEVELOPMENT
FISCAL YEAR 2020**



Prepared by the

Department of Land and Natural Resources
State of Hawaii

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

December 2020

**GEOTHERMAL ROYALTIES DISPOSITIONS
and
STATUS OF GEOTHERMAL AND CABLE SYSTEM DEVELOPMENT
FISCAL YEAR 2020**

This report is prepared pursuant to Sections 182-18 and 196D-11, Hawaii Revised Statutes (HRS), and covers the period from July 1, 2019 through June 30, 2020.

Section 182-18, HRS – Geothermal Royalties

Due to the shutdown of the Puna Geothermal Venture (PGV) power plant on May 4, 2018 by the eruption along the Kilauea East Rift Zone (KERZ) and subsequent lava inundation of some of its facilities, PGV was unable to produce electricity during Fiscal Year (FY) 2020. Therefore, no geothermal royalties were received in FY 2020, and statutory distributions to the County of Hawaii (30%) and the Office of Hawaii and Affairs (20%) were also \$0 during this period.

During FY 2020, PGV diligently worked to restore electrical production, with plans to have the power plant back online by the end of calendar year 2020. Existing geothermal wells were serviced/modified, and new wells drilled to provide for electrical production. PGV also updated its power plant infrastructure by replacing older power generation equipment with more efficient units and refurbishing electrical substations with the goal of efficient and clean energy production to meet their allowed energy projection limits.

Issued Permit(s)

PGV applied for and received two permits to modify (clean out) existing geothermal wells and two permits to drill new geothermal wells.

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 provided more than 25% of the Island's power demands until the plant shutdown in May 2018 due to the KERZ eruption.

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