

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

September 28, 2018

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

HAWAII

Acceptance of Final Environmental Assessment for the “Wailuku River Hydroelectric Facilities Long Term Water Lease and Waiau Repowering” Project, and Approval of the Issuance of a “Finding of No Significant Impact” for the Proposed Project by Applicant Hawaii Electric Light Company, South Hilo, Island of Hawaii

BACKGROUND

Applicant Hawaii Electric Light Company (HELCO) currently holds Revocable Permit No. S-7463 which allows HELCO to use such water as is owned or controlled by the State of Hawaii in the Wailuku River on a month to month basis. Pursuant to Act 126, Session Laws of Hawaii 2016, HELCO is seeking to obtain a 65 year term water lease to continue diverting water from the Wailuku River for a non-consumptive use to continue to operate the Waiau and Pu‘u‘eo hydroelectric facilities located alongside the Wailuku River. In addition to the water lease, HELCO is proposing to repower the Waiau power plant. Pursuant to Section 171-58, Hawaii Revised Statutes (HRS), HELCO has prepared a Final Environmental Assessment (EA) with a Finding of No Significant Impact (FONSI). A copy of the Final EA, prepared by SSFM International, has been separately provided to the Board Members. A copy of Final EA will be posted on the BLNR website.

REMARKS

HELCO is currently diverting and using water from the Wailuku River for hydroelectric production at their Waiau and Pu‘u‘eo Plants pursuant to Revocable Permit No. S-7463. HELCO has requested a 65-year lease to continue to divert water from the Wailuku River for a non-consumptive use to continue to operate the Waiau and Pu‘u‘eo Plants located alongside the Wailuku River in Hilo. In addition to the long-term water lease, HELCO is proposing to repower the Waiau power plant.

The purpose of the proposed project is to continue to operate the two hydropower projects on the Wailuku River: the Waiau Plant and the Pu‘u‘eo Plant. Renewable energy generated by hydropower projects reduces imports of oil for conventional diesel electric power generation. The continued operation of HELCO’s Wailuku River hydroelectric plants and increased capacity of the Waiau Plant would further help to achieve the State of Hawai‘i’s goal of 100% renewable

energy by 2045. HELCO is currently diverting and using water from the Wailuku River to power its Waiau and Pu'u'eo hydroelectric plants under an existing Revocable Permit No. S-7463, which must be renewed each year. However, under Act 126, Session Laws of Hawai'i 2016, HELCO would only be able to get its Revocable Permit renewed through 2019. The long-term water lease is needed to ensure continued operation of the Waiau and Pu'u'eo Plants for the next 65 years.

The Waiau Plant, which has been in operation since the 1920s, has already exceeded its nominal economic life and the age and condition of the generating equipment are such that the plant is now due for either major rehabilitation or repowering of the existing generating units. The plant's generation appears to be impaired by a combination of plant maintenance outages, low plant generation efficiency due to the old design and condition of the equipment, and suboptimal operation of the headworks. Measures have already been implemented to extend the service life of the headworks and penstock; therefore, the repowering of the generators and replacement of a 300-foot section of penstock are the only items that are in need of attention. Both power plants that will be serviced by the water lease are located on private land.

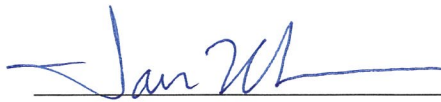
The EA analyzed impacts on the following areas: climate and air quality, noise, geology and soils, natural hazards, water resources, biological resources, cultural resources, socioeconomics, public facilities and services, transportation and traffic, and visual resources. The EA reviewed the potential impacts from construction and operation of the project. The EA also examined secondary and cumulative impacts and irretrievable and irreversible commitment of resources.

The EA concluded that the proposed action would no result in significant impacts pursuant to the significance criteria in HAR 11-200, largely on the basis that the water use under the lease would be of a non-consumptive use, and the power plants would continue operations that have been previously ongoing for an extended period of time. Any impacts from the construction work would temporary and subject to mitigation measures. The EA also notes certain beneficial impacts resulting from the long term generation of renewal energy from this project. Therefore, the Board is recommended to accept the Final EA and approve the issuance of the FONSI for publication in the Office of Environmental Quality Control Environmental Notice.

RECOMMENDATIONS: That the Board:

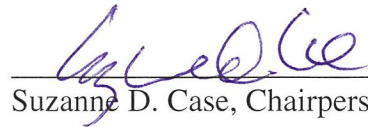
1. Accept the Final EA for the Wailuku River hydroelectric facilities long term water lease and Waiau repowering;
2. Find that the project will not have a significant effect on the environmental, economic and/or cultural resources of the area and approve the issuance of a FONSI for the proposed project; and
3. Authorize the Chairperson to publish a FONSI for the proposed project in the Office of Environmental Quality Control's The Environmental Notice.

Respectfully Submitted,



Ian Hirokawa  
Special Projects Coordinator

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson

