

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILĀ, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE BOARD OF LAND AND NATURAL RESOURCES (BLNR)
AUGUST 12, 2022 AT 9:00 AM VIA VIDEOCONFERENCE

RE: Sale of Water License at Public Auction for the Non-Consumptive Use of Water from the Wailuku River for Hydroelectric Generation Purposes, Pi`ihonua, South Hilo, Island of Hawaii, Tax Map Key: (3) 2-6-009; 2-6-029; and Acceptance of Wailuku Watershed Management Plan

Aloha Chair Case and Board Members:

Respectfully, the Department of Hawaiian Home Lands (DHHL) testifies in **opposition** to the proposed action to proceed to public auction for the sale of a water license for the non-consumptive use of water from the Wailuku River for hydroelectric generation purposes in Pi`ihonua, South Hilo, Hawai`i. Specifically, DHHL is testifying in opposition to the methodology used to determine the minimum upset annual rent, which will result in DHHL not receiving the proper revenues it is entitled to from the water license. As drafted the action will cause direct, measurable harm to entitlements administered by DHHL. The inclusion of a "watershed management fee" by Department of Land and Natural Resources (DLNR) appears to improperly shield a material share of income derived from the lease from calculations of DHHL's revenue entitlement. Moreover, the criteria to determine a watershed management fee are ambiguous and should be memorialized in administrative rules.

DHHL is requesting a contested case hearing on this matter. We will first review for you the background to our concerns and then our specific objections.

Background on native Hawaiian and DHHL interests in water leases.

In general, DHHL and its beneficiaries hold three distinct rights that are impacted by any proposed disposition of water by the BLNR. First, under HRS § 171-58(g), no water lease or license can be issued until after "a reservation of water rights sufficient to support current and future homestead needs" is adopted.¹ Second, our beneficiaries

¹ DHHL at its own expense has cooperatively supported this process, working with the Department of Land and Natural Resources, in every instance when asked, for proposed water licenses on the Wailuku River (Hilo), for farming, ranching and domestic purposes in Ka`ū, for kalo farmers in Wai`oli, Kaua`i, and for the East Maui Irrigation System.

may exercise traditional and customary practices related to the waters that are being disposed. Third, in section 213 of the Hawaiian Homes Commission Act (HHCA) and Article XII, section 1 of the Hawai'i State Constitution, DHHL is entitled to thirty percent (30%) of the revenue from water licenses, and those moneys are deposited into the Native Hawaiian Rehabilitation Fund (NHRF), which finances direct grants to existing homestead communities to further healthy communities and improve native Hawaiian well-being.

Previous DHHL Comments on the Wailuku River Hilo Hydropower Proposed Lease

DHHL has provided previous testimony on the appraisal mechanism provided by HECO and its concerns with the FERC rate. DHHL has also provided an alternative methodology as a potential consideration (See Exhibit A). It seems that DLNR is content with allowing HECO to dictate an appraisal methodology that results in a low water license fee because DLNR created its "watershed management fee" and made an incorrect determination that the fee is not subject to section 213 of the Hawaiian Homes Commission Act (HHCA) and Article XII, section 1 of the Hawai'i State Constitution. The resulting outcome of those decisions is that the watershed management fee appears to inappropriately shift away money due to DHHL to keep within DLNR. We note the proposed watershed management fee of \$31,080 per year is nearly double the proposed lease rate. The decision to exclude the fee from calculation of the amount due to DHHL is a policy decision which will directly harm native Hawaiian beneficiaries.

Rule-Making Required for Watershed Management Fee

Prior to approving this action, DHHL urges the BLNR to direct DLNR to go through the rulemaking process for the watershed management fee for the following reasons:

1. There is no clear criteria on determining a watershed management fee, which impacts all prospective lessors.
2. The Watershed Management Fees' criteria must be included in the administrative rules because it impacts all prospective lessees/licensees.
3. The ambiguity of criteria in applying a watershed management fee also impacts the determination of DHHL's claims to income derived from the lease.

We note that there was numerous public testimony at BLNR's March 2019 urging DLNR to go through the rule making process prior to applying its "watershed management fee." We ask BLNR members to act on this prior public sentiment.

*Department of Hawaiian Home Lands
BLNR D-2
August 12, 2022
Page 3 of 3*

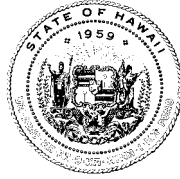
Lastly, for those BLNR members that may not be familiar with the Congressional record during the passage of the HHCA, we include Exhibit B as part of our testimony for your context and consideration. Exhibit B highlights the historical context of why Prince Kuhio asked for 30% of former sugar lands and water licenses. Exhibit B also includes testimony provided by Mr. A.G.M. Robertson before Congress in opposition to the passage of the Hawaiian Homes Commission Act. We call your attention to the reasoning included Mr. Robertson's testimony as it more than bears a passing resemblance to the same reasons DLNR has opposed consideration of applying an appraisal methodology that would result in a higher water lease amount. Let us not continue that same reasoning into the future.

Thank you for your consideration of our testimony.

EXHIBIT A

DAVID Y. IGE
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WILLIAM J. AILA, JR.
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STATE OF HAWAII DEPARTMENT OF HAWAIIAN HOME LANDS

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TESTIMONY OF WILLIAM J. AILA JR, CHAIRMAN HAWAIIAN HOMES COMMISSION BEFORE THE BOARD OF LAND AND NATURAL RESOURCES

Board of Land and Natural Resources Submittal Item D-8

Adoption of Guidance to Appraisers for the Determination of the Upset Rent for Public Auctions for Water Leases for Consumptive Use Purposes Pursuant to Section 171-58, Hawaii Revised Statutes

October 22, 2021

9:00 A.M.

Videoconference

The Department of Hawaiian Home Lands (“DHHL”) submits comments **in opposition** on this submittal item which seeks to clarify the conditions and manner in which the Board of Land and Natural Resources (“BLNR”) may dispose of water by licenses. The proposed guidance to the Department of Land and Natural Resources (“DLNR”) fails to provide adequate procedural and substantive protections to ensure that license appraisals by DLNR do not unduly comprise the pro rata portion of license revenues that would otherwise be due to DHHL. These revenues are necessary and help DLNR and DHHL fulfill their shared Constitutional and statutory duties to ensure that “the spirit of the Hawaiian Homes Commission Act looking to the continuance of the Hawaiian homes projects for the further rehabilitation of the Hawaiian race shall be faithfully carried out.”¹

DHHL is not in agreement and if the BLNR approves this measure we reserve our right to request a contested case hearing on this matter. Accepting DLNR’s staff’s position puts us in a situation where by not advocating for more clarity and certainty puts us at risk of a breach of Trust action by our beneficiaries. The Hawaiian Homelands Trust was created in 1921 and Water Licenses fees were one of two methods of funding DHHL from the very beginning. In the Admissions Act, the people of Hawaii and the newly recognized State of Hawai‘i accepted responsibility for funding and administering this Trust.

DHHL agrees that the existing valuation and public auction processes currently applicable to the issuance of water licenses need to be updated. Currently, HRS § 171-58 requires that water for disposition be appraised at fair market value to determine the upset rent for the public auction. Water purveyors generally charge for the delivery of water, rather than the water itself, which is a public resource held in trust for the people of Hawai‘i. The lack of typical market indicators for the proper value of freshwater has provided minimal guidance on how to

¹ Article XII, section 2 of the Hawai‘i State Constitution.

set a price for this resource. Thus, appraisers have no ability to use a sales comparison approach to value water. Better guidance for appraisers is required.

Pursuant to Article XII, section 1 of the Hawai'i State Constitution, thirty per cent of the state receipts derived in part from water licenses shall be deposited into the Native Hawaiian Rehabilitation Fund.² The amount of funding has decreased over time due in significant part to a failure to broadly apply the statute and determine a reliable pricing mechanism for water leases and licenses. The failure to properly value water resources at the moment of disposition means that public trust resources are diverted without properly compensating state agencies responsible for maintaining watersheds (primarily DLNR), the statutory revenues due to the Office of Hawaiian Affairs, or funds due to DHHL.

However, this proposal to address the shortcomings is harmful. DHHL's objections have at least four bases.

First, we believe that the guidance contained in this proposal, if not violative of the Legislature's powers, could only be properly adopted under rule making procedures. This would give DHHL, its beneficiaries, and others a chance to consider the many complex issues involved. We note that a rulemaking approach to this would allow detailed guidance to be provided to reflect the following:

- Incorporation of new information regarding the sustainability of water sources and the cultural and ecological purposes that they serve;
- An accounting for differences between large versus small water diverters;
- Differentiate between commercial versus traditional and customary subsistence farmers and gatherers; and
- In general to encourage greater accountability required of water licenses with respect to the public trust.

Second, in lieu of the proposed guidance as set in this Submittal Item, DHHL implores DLNR to adopt an alternative methodology that would revisit DHHL's proposed methodology that would utilize the percentage of the avoided cost to the lessee of obtaining water from practicable alternative water sources. DHHL has previously proposed a methodology that would prohibit the disposition of water rights for less than a certain percentage of the cost of the least expensive alternative source of water of similar quality and purpose, except for water leases or licenses issued for instream traditional and customary native Hawaiian practices. Such an approach need not apply an equal percentage of avoided cost to all proposed uses. It could accommodate water uses where economic benefits to the user are smaller (including small farmers producing food for local consumption) and larger (where the value of avoided fuel costs can be in millions of dollars annually). We note in the later case, it is not clear that higher lease costs would be entirely passed to the consumer, but could rather be passed to the utility shareholders, to which DHHL and DLNR have no particular duty. The policy decision of whether water license fees for renewable energy production gets passed on to rate-payers or should be absorbed by the for-profit utility company and its shareholders is within the domain of the Public Utility Commission and not DLNR.

² Hawaiian Homes Commission Act, 1920, Pub. L. No. 67-34, 42 Stat. 108 (1921) (formally codified as amended at 42 U.S.C. 691-718 (1958) (omitted from codification in 1959)) (set out in full as amended at 1 Haw. Rev. Stat. 261 (2990) [hereinafter HHCA] § 213(i).

Third, the guidance grants deference to an appraiser to exercise their professional expertise as to which factors may be applicable and how much weight should be accorded with each factor. By providing the appraiser with discretion to ignore certain factors to determine fair market value, the guidance does not provide sufficient safeguards to ensure that BLNR's exercise of authority to issue water licenses is transparent, appropriate, and consistent with the public trust and their duties to the HHCA under the Constitution.

Fourth, the public trust doctrine should not be conflated with the public interest. In particular, the seventh proposed factor of the guidance would consider "the public benefit provided from the use of water." Specifically, the submittal provides that "[s]uch benefits include purposes such as domestic uses, traditional and customary practices such as aquaculture uses, irrigation and other agricultural uses, power development, and commercial and industrial uses." While the usage of state water may produce important benefits and that such benefits must figure into any balancing of competing interests in water, it stops short of embracing agricultural, commercial, and industrial uses as a protected "trust purpose[s]." There is a distinct difference for water being used for public interest and water being used for the public trust.⁴ The public trust has never been understood to safeguard rights of exclusive use for private commercial gain. Such an interpretation eviscerates the public trust doctrine's basic purpose of reserving the resource for use and access by the general public without preference or restriction.⁵ Despite the fact that economic development may produce important public benefits,⁶ the absence of a constitutional or statutorily protected property right does not affirmatively demonstrate that these private interests bears the burden of establishing that these proposed uses will not interfere with any public trust purposes.⁷ If the public trust is to retain any meaning and effect, it must recognize enduring public rights in trust resources separate from, and superior to, the prevailing private interests in the resources at any given time.⁸

The revenues from the licensing of water support programs for the operation of the native Hawaiian rehabilitation fund is in the best interest of the State. Mahalo nui for the opportunity to comment on this matter. For any questions or concerns, please contact Andrew H. Choy, Acting Planning Program Manager at (808) 620-9481 or by email at: andrew.h.choy@hawaii.gov.

³ *Waiāhole I*, 94 Hawai'i at 138, 9 P.3d at 450.

⁴ *See id.* ("We thus eschew [the Land Use Research Foundation's] view of the trust, in which the 'public interest' advanced by the trust is the sum of competing private interests" and the rhetorical distinction between 'public trust' and 'private gain' is a false dichotomy. To the contrary, if the public trust is to retain any meaning and effect, it must recognize enduring public rights in trust resources separate from, and superior to, the prevailing private interests in the resources at any given time.").

⁵ *Id.*; *See Kauai Springs, Inc. v. Planning Comm'n of the Cnty. of Kauai*, 130 Hawai'i 407, 429, 312 P.3d 283, 305 (Ct. App. 2013), *aff'd but criticized*, 133 Hawai'i 141, 324 P.3d 951 (2014). *See, e.g., HAW. REV. STAT § 7-1* (1955).

⁶ *Kukui*, 116 Hawai'i at 508, 174 P.3d at 347.

⁷ *Compare Sandy Beach Def. Fund v. City Council of City & Cty. of Honolulu*, 70 Haw. 361, 377, 773 P.2d 250, 261 (1989) (holding that a community group's personal economic, and aesthetic interests, such as their view of the ocean and value of their properties, were of an "aesthetic and environmental nature" and did not rise to the level of a property interest within the meaning of the due process clause of the Hawai'i Constitution), *with In re Application of Maui Electric Co., Ltd.*, 141 Hawai'i 249, 264-65, 408 P.3d 1, 16-17 (2020) (holding that the Sierra Club's assertion of its members' constitutional right to a clean and healthful environment under article XI, section 9 of the Hawai'i State Constitution is a protectable property interest).

⁸ *Waiāhole I*, 94 Hawai'i at 138, 9 P.3d at 450; *see Robinson v. Ariyoshi*, 65 Haw. 641, 677, 658 P.2d 287, 312 (1982) ("[U]nderlying every private diversion and application there is, as there always has been, a superior public interest in this natural bounty.").

Exhibit B

Origin of Water license revenue to fund the Hawaiian Homes Commission Act (HHCA) and discriminatory-based opposition to the same

The source of funding for implementation of the HHCA, as stated in the original language of Section 213 of the HHCA, was “30 per centum of the Territorial receipts derived from the leasing of cultivated sugar-cane lands under any other provision of law or from water licenses.” This funding source was one of many compromises that Territorial Delegate Jonah Kūhiō Kalanianaʻole made in order to secure support in Hawaiʻi for passage of the HHCA, as well as the votes required for Congressional passage.

A reliance on sugar land leases and water licenses for revenue for the homesteading program was tied in part to other compromises that were made as the HHCA developed. Famously, the HHCA excluded of the most agriculturally viable lands from the lands available for homesteading, in Section 203 of the Act. That land exclusion provision came at the insistence of the plantation oligarchy who had continued to use these lands (which had been controlled by the Kingdom until the overthrow) for their private businesses.¹ The inclusion of water license revenue in addition to land revenue was an additional compromise recognizing the significant sums would be required to prepare the lands included for homesteading for these purposes.²

However, even these compromises in the early 1920 bill draft were still not enough to quiet opponents of the Act. On December 14, 1920, the US Senate Committee on Territories held a hearing on the bill in the Senate Office Building in Washington, D.C. Among those who travelled from Hawaiʻi to testify on the measure was A.G.M. Robertson. Mr. Robertson had been a member of the Honolulu Rifles, and later served in various capacities to the “Republic of Hawaiʻi”. In 1911 he became Chief Justice of the Hawaiʻi Supreme Court in the Territory and stayed until his resignation effective January 1, 1918, when he returned to private practice. He travelled to Washington representing the Parker Ranch, which controlled lands that could be withdrawn under the draft of the HHCA being considered.

Despite his client’s direct interests, Mr. Robertson did not limit his opposition narrowly, but centered his arguments against the bill including its funding mechanisms, as discriminatory against “whites” in the Territory. In one part of his testimony he claimed “There are hundreds of white men out there who feel they are absolutely against this bill and they are being discriminated against by it...”³ Moreover he decried the proposed funding mechanisms: in the hearing he rallied against the funding of the bill because ***“These moneys, mind you, come out of the pockets of the white***

¹ McGregor, Davianna Pōmaikaʻi. 1990. “ʻĀina Hoʻopulapula: Hawaiian Homesteading. The Hawaiian Journal of History, vol. 24, 1-38.

² McGregor 1990, p. 21.

³ Testimony of Mr. AGM Robertson, attorney of Honolulu, Representing Parker Ranch, at a December 14, 1920 hearing on HR 13500

taxpayers of the Territory and are handed over to or are used for the benefit of the Hawaiian population—as we find it stated in the bill here – of one thirty-second Polynesian blood.” Delegate Kūhiō had to clarify to the Committee that “Mr. Robertson says that these moneys are to come out of the white taxpayers’ pockets of the Territory. That is not correct.” Yet even then Mr. Robertson interjected: “I was coming to that point further in my argument. It does not make any difference where this \$1,000,000 ...comes from....it is money that comes out of the pockets of the white taxpayers of the Territory.”

Delegate Kūhiō later in the hearing tried to clarify the record at length:

...Judge Robertson objects to the bill for reasons that are not well founded. He strains the point that the money to be raised for the purpose of carrying out this bill will be by taxation...and that the Americans or whites, as he calls them, would be subject to increased taxation for the benefit of the Hawaiian, discriminating against the whites for the benefit of the Hawaiian. This statement is absolutely untrue...Section 213 of this bill provides for the creation of a revolving fund to be derived from 30 per cent of the Territorial receipts derived from the leasing of the cultivated sugar-cane lands and water licenses.

Despite the opposition of Robertson and others, and because the compromise to fund the HHCA avoided using general government tax revenues and hence any racial claims about that, the Act passed with the provision of water license revenue as a source of funding intact.

Performance of the NHRF over time

In the early years of the HHCA, sugar cane land lease and water license revenue were significant sources of support for implementation of the Act, even as the Act remained woefully underfunded. In recent years, however, the revenue into the NHRF as a whole, particularly from water license revenue, has declined precipitously. Data from DHHL files shows the following decline in water license flow into the NHRF between 1981 and 2017:

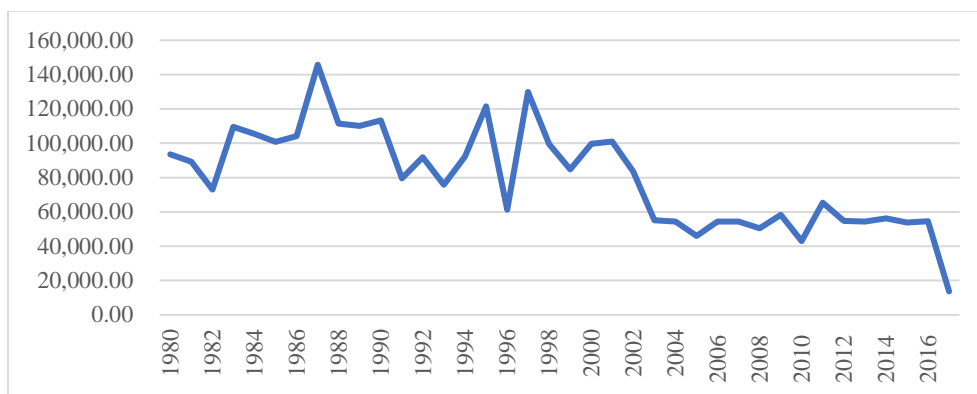


Figure 1. Data from the DHHL, showing water license revenue into the NHRF, 1980-2017.



REPRESENTATIVE NICOLE LOWEN
HAWAII STATE HOUSE OF REPRESENTATIVES

August 12, 2022

State of Hawai'i Board of Land and Natural Resources
Post Office Box 621
Honolulu, HI 96809

RE: Support for HELCO's Continuation of Revocable Permit 7463 for a Long-Term Water Lease

Dear Members of the Board of Land and Natural Resources,

I am writing in support of the Hawai'i Electric Light Company's (HELCO) request for a long-term water lease for the non-consumptive use of water along the Wailuku River at Hilo, Hawai'i to continue operations at HELCO's hydroelectric generating plants. Hawai'i is currently striving to become less reliant on imported energy sources, to decarbonize its economy, and to address the high cost of living by reducing energy costs. Hydroelectric projects help us to achieve these goals.

A long-term water lease will ensure that HELCO can provide clean, reliable hydroelectric power as part of a diversified energy portfolio that will increase resilience and energy independence. As the State continues to explore effective ways to increase renewable energy generation throughout the State, hydroelectric projects will greatly help us to meet the challenges of today and the future. I hope that you favorably consider HELCO's proposal.

Sincerely,

A handwritten signature in cursive script that reads "Nicole E. Lowen".

Representative Nicole Lowen
State of Hawaii, House District 6
Chair, Committee on Energy and Environmental Protection



HOUSE OF REPRESENTATIVES

STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

WRITTEN TESTIMONY BEFORE THE BOARD OF LAND AND NATURAL RESOURCES

SUPPORT OF THE HOLDOVER/CONTINUATION OF REVOCABLE PERMIT 7463 ISSUED TO HAWAI'I ELECTRIC LIGHT COMPANY, INC. FOR NON- CONSUMPTIVE WATER USE ALONG THE WAILUKU RIVER AT HILO, HAWAI'I

Friday, August 12, 2022
9:00 A.M.
1151 Punchbowl St. Room 132

Aloha Chair Case and Members of the Board

I am writing in support of the long-term water lease application submitted by Hawai'i Electric Light Company (HELCO). If granted, this will allow HELCO to continue operating the current hydroelectric generating plants along the Wailuku River in Hilo.

If approved, this lease will have minimal effect on river flow as the Waiau and Pu'u'eo plants are "run of the river" and considered non-consumptive water use, where water flows through the plant and is returned to the river without removing any water.

HELCO currently holds an annual lease but is seeking a long-term lease to ensure the long-term stability of hydroelectric power on Hawai'i Island. This would provide more reliable, sustainable, and affordable renewable energy for its customers through a combination of resources. These hydroelectric plants will continue to contribute to the state's goal of 100% renewable energy by 2045. Lower cost renewable energy projects can help lower or stabilize costs, resulting in savings shared with rate payers who will receive a lower monthly bill.

Thank you for your consideration.

Mark M Nakashima

Mark M. Nakashima
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Chair
Committee on Judiciary and
Hawaiian Affairs



HOUSE OF REPRESENTATIVES
REPRESENTATIVE RICHARD H.K. ONISHI; DISTRICT 3
STATE OF HAWAII
STATE CAPITOL
415 SOUTH BERETANIA STREET; Room 438
HONOLULU, HAWAII 96813

**WRITTEN TESTIMONY BEFORE THE
BOARD OF LAND AND NATURAL RESOURCES**

**SUPPORT OF THE HOLDOVER/CONTINUATION OF REVOCABLE PERMIT 7463
ISSUED TO HAWAI'I ELECTRIC LIGHT COMPANY, INC. FOR NON-
CONSUMPTIVE WATER USE ALONG THE WAILUKU RIVER AT HILO, HAWAI'I**

Friday, August 12, 2022
9:00am

Chair Case and Members of the Board,

Aloha, I am Representative Richard Onishi and I currently represent district 3 on the Big Island.

It is my understanding that Hawai'i Electric Light Company ("HELCO") is seeking to obtain a long-term water lease for the non-consumptive use of water along the Wailuku River at Hilo, Hawai'i for the continued operations of HELCO's hydroelectric generating plants.

If HELCO is able to obtain this long-term water lease, this will help HELCO provide reliable, sustainable and affordable renewable energy for its customers. This would also contribute to a robust energy portfolio that will also help to improve service reliability through a combination of resources instead of relying on a single resource. There is strength in diversity in terms of both resource and location. On Hawai'i Island, 60% of the electricity comes from a

diverse mix of renewable resources like solar, wind, biofuel, geothermal, and hydro. It also is important for these resources to be in locations across the island to strengthen resilience and improve reliability.

These hydroelectric plants also contribute to the state of Hawai'i's goal of 100% renewable energy by 2045. A long-term water lease will also ensure that hydroelectric power is allowed to continue as a lower cost renewable energy source. Lower cost renewable energy projects can help lower or stabilize costs, resulting in predictable bills and ultimately saving customers money.

Thank you for the opportunity to testify.

Sustainable Energy Hawaii
PO Box 1058
Pepeekeo, Hilo, HI 96783



August 9, 2022

SUPPORT OF THE HOLDOVER/CONTINUATION OF REVOCABLE PERMIT 7463 ISSUED TO HAWAI'I ELECTRIC LIGHT COMPANY, INC. FOR NON-CONSUMPTIVE WATER USE ALONG THE WAILUKU RIVER AT HILO, HAWAI'I

Dear Chair Case and Members of the Board,

My name is Noel Morin. I am the Board Chair at Sustainable Energy Hawai'i (SEH).

I understand that Hawai'i Electric Light Company ("HELCO") is seeking a long-term water lease for the non-consumptive use of water along the Wailuku River at Hilo, Hawai'i, for the continued operations of HELCO's hydroelectric generating plants. SEH supports the expeditious approval of the lease negotiated to bring increased hydroelectric power generation online.

In light of the critical milestones set by the state of Hawai'i Renewable Portfolio Standards legislation (RPS 2045), SEH sees HELCO's ability to obtain this long-term water lease as an essential component to ensuring that our public utility continues to provide as much firm, reliable, sustainable, and affordable renewable energy for its customers through distributed generation. This is especially important on the East side of the Big Island.

There is strength in diversity in terms of both resource and location. On Hawai'i Island, 60% of the electricity comes from a diverse mix of renewable resources like solar, wind, biofuel, geothermal, and hydro. The notion this existing, efficient, clean energy resource could be curtailed seems to be a flawed option for our community.

A long-term water lease will also ensure that hydroelectric power can continue as a lower-cost renewable energy source. Lower-cost renewable energy projects help lower and/or stabilize costs, resulting in predictable bills for a public already experiencing higher power costs. Additionally, this lease will set the standard for streamlining the lease process for future hydroelectric generation, an underutilized clean energy generation resource across the State.

Thank you for the opportunity to testify.

A handwritten signature in black ink, appearing to read "Noel Morin", written over a horizontal line.

Noel Morin, Chairman of the Board
Sustainable Energy Hawai'i