



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

IN SUPPORT OF

**THE CONTINUATION OF REVOCABLE PERMIT 7463 ISSUED TO HAWAII
ELECTRIC LIGHT COMPANY, INC. FOR NON-CONSUMPTIVE WATER USE
ALONG THE WAILUKU RIVER AT HILO, HAWAI'I (Item D-6, Exhibit A)**

Friday, December 13, 2024

9:00 a.m.

Streamed Live Via YouTube

Dear Chair Chang and Members of the Board,

Hawaiian Electric Company, Inc. ("Hawaiian Electric") is writing in support of a one-year holdover/continuation of Revocable Permit 7463 issued to Hawaii Electric Light Company, Inc. ("HELCO") for non-consumptive use of water along the Wailuku River at Hilo, Hawaii.

HELCO has had year-to-year water permits for decades which has enabled it to operate two hydroelectric plants on the Wailuku River. Generating electricity by using falling water to turn a turbine and then returning it to its source is the oldest renewable energy resource in Hawaii. These hydroelectric plants play an important role in meeting the State's 100% renewable energy goal and is an important resource in our renewable energy portfolio.

One of the key goals of the 100% renewable energy mandate is to reduce and stabilize costs by getting off oil. Having a long-term water lease is especially critical for us to invest in the rebuilding of the Waiau Hydroelectric Plant, which was nearly a century old, when it was damaged and taken offline during Hurricane Lane in August 2018.

In 2016, a circuit court judge ruled that the holdover of revocable permits for multiple one-year permits is not consistent with the statute providing for temporary use of State lands. In response, and to avoid the abrupt stoppage of water being used by about a dozen permittees, including HELCO, Act 126 (2016) provided permittees three years to convert year-to-year permits to long-term leases.

Upon passage of Act 126 (2016), Hawaiian Electric immediately embarked on fulfilling the requirements for obtaining a long-term water lease. We had an environmental assessment prepared and obtained a Finding of No Significant Impact. In cooperation with the Department of Hawaiian Home Lands (“DHHL”) and the Department of Land and Natural Resources (“DLNR”), a DHHL beneficiaries meeting was held back in 2016 in Hilo to enable DHHL to make a request for a reservation of water from the Wailuku River, and determine that HELCO’s non-consumptive use of water for its hydroelectric plants would not interfere with DHHL’s need for water.

For your information and background, the Board of Land and Natural Resources (“Board”) held a meeting on December 9, 2022, where the Board approved the sale of a license at public auction for the non-consumptive use of water from the Wailuku River, for hydroelectric generation purposes and accepted the proposed Wailuku Watershed Management Plan at the Board’s August 12, 2022 meeting. On August 22, 2022, DLNR received DHHL’s written petition for a contested case hearing. At the Board meeting held on December 9, 2022, the Board denied DHHL’s request for a contested case hearing. Since then, the DLNR has been working with the Office of the Attorney General on the public auction documents and it has taken a very long time. HELCO is looking forward to participating in the upcoming public auction.

HELCO continues to work toward securing a long-term water lease that will help

to further the State's 100% Renewable Portfolio Standards goal, benefit its customers, and help improve Hawaii Island's energy resiliency. Accordingly, Hawaiian Electric strongly supports the continuation of Revocable Permit 7463 to HELCO for one year beginning on January 1, 2025 and looks forward to participating in a public auction to indicate our interest in entering into a long term lease. Thank you for the opportunity to submit this testimony.