

The House Concurrent Resolution (HCR) 121 House Draft (HD) 1 was passed by both the House and the Senate in 1984. HCR 121 HD1 states:

“Requesting Hawaii’s Utility Companies to take Greater Efforts to Encourage the Development of Alternative Energy Sources.

Whereas, the State of Hawaii depends upon imported oil for approximately 90 per cent of its energy requirements, accounting for an annual outflow from the State of more than \$1.5 billion or 10 per cent of our Gross State Product; and

Whereas, 90.2 per cent of Hawaii’s electricity generation capacity is petroleum-based while the comparable figure for the United States is only 24 per cent; and

Whereas, Hawaii’s isolation from the continental United States and lack of an emergency oil supply make the State particularly vulnerable to disruptions in the supply of oil because of political instability in the Middle East and elsewhere and **such conditions make it imperative to nurture the development of alternative energy resources;** and

Whereas, opportunities in Hawaii abound for the production of electrical energy from alternative energy sources such as biomass, wind, solar, ocean thermal, and geothermal energy; and

Whereas, the United States Congress, cognizant of the dangers to national security posed by the nation’s dependence on imported oil, enacted the Public Utility Regulatory Policies Act of 1978 (PURPA), which sought to encourage the use of indigenous alternative energy in the nation’s electric utility systems; and

Whereas, **the Hawaii Legislature has also enacted measures to encourage the utilities to purchase electricity generated from nonfossil fuels;** and

Whereas, Hawaii’s utility companies are in a unique position to encourage efforts to produce electricity from nonfossil fuel sources through the negotiation of contracts that would encourage increased investment in alternative energy sources; and

Whereas, while a number of cogenerators sell an appreciable amount of power to the electric companies on Kauai, Maui, and Hawaii, only a small amount of power is supplied by cogenerators on Oahu; and

Whereas, **the Legislature believes that the recent complacency of government and the public brought about by the seeming abundance of oil and the accompanying lack of urgency regarding the future development of alternative energy resources will be damaging to the State’s economy and all of its citizens in the long run and serious efforts must be made to develop alternative energy sources of various types and on all islands in the State; now, therefore,**

Be it resolved by the House of Representatives of the Twelfth Legislature of the State of Hawaii, Regular Session of 1984, the Senate concurring, that the Department of Planning and Economic Development is requested to work with Hawaiian Electric Company, Inc., Molokai Electric Company, Inc., and Kauai Electric Company, Inc. **to develop a plan for encouraging the development of alternative energy sources for the production of electrical energy by the utilities;**

Be it further resolved that the Office of the Department of Planning and Economic Development report its findings and recommendations to the Legislature twenty days prior to the convening of the Thirteenth Legislature, Regular Session of 1985; and

Be it further resolved that certified copies of this Concurrent resolution be transmitted to the Department of Planning and Economic Development, and the chief executive officers of the Hawaiian Electric Company, Inc., Molokai Electric Company, Inc., and Kauai Electric Company, Inc.”

The Hawaii Department of Planning & Economic Development (1984) filed a Report to the Thirteenth State Legislature in Response to House Concurrent Resolution No. 121 Requesting Hawaii's Utility Companies to take Greater Efforts to Encourage the Development of Alternative Energy Sources.¹

"Introduction. The Twelfth Hawaii Legislature, through House Concurrent Resolution No. 121, "Requesting Hawaii's Utility Companies to take Greater Efforts to Encourage the Development of Alternative Energy Sources," requested the Department of Planning and Economic Development to work with Hawaiian Electric Company, Inc., Molokai Electric Company, Inc., and Kauai Electric division, to develop a plan for encouraging the development of alternative energy sources for the production of electrical energy by the utilities. ...

Background. Hawaii remains highly vulnerable to world oil supply interruptions and escalating oil prices. Over 90 percent of the State's energy supply is derived from imported petroleum.

A major goal of the State, as set forth in the Hawaii State Plan (Sec. 226-18 of Hawaii Revised Statutes) and the State Energy Functional Plan, **is to displace the use of oil in order to become more energy self-sufficient.** It is the objective of the State to "Accelerate the transition to an indigenous renewable energy economy by facilitating private sector activities to explore supply options and achieve local commercialization and application of appropriate energy technologies." (DPED, State Energy Functional Plan, Objective B, page 15)

Hawaii has numerous opportunities to use indigenous energy resources to substantially reduce petroleum use for electricity production. these opportunities are in the form of biomass, geothermal, hydropower, wind, solar, ocean thermal, and other resources and technologies locally available. ...

Public and Private Sector Roles. Realization of the State goal of increased energy self-sufficiency requires the cooperative participation of all sectors of the local economy. ...

Relatively new but important players in the field are numerous independent private firms engaged in developing alternative energy sources for producing electricity. These firms are of various sizes and capabilities. To be successful, they must have access to the market which is controlled for the most part by the utilities through their distribution networks. ...

Hawaii's development of renewable energy resources has not progressed as rapidly as anticipated, and the State's utilities collectively continue to be almost totally dependent upon imported petroleum. ...

Hawaiian Electric Industries. ... **Two areas of concern with respect to HEI** and its utilities are 9a) what appears to be **a lack of specific long-range planning** to accelerate the transition by the utilities to alternative technologies, and (b) the apparent **difficulties encountered by independent small power producers** wishing to sell power to HEI utilities for distribution. While it is impossible to predict accurately the future growth of renewable energy applications, the need for a systematic planning process is not diminished thereby. ... Regarding the second concern, HEI is, rightly or wrongly, viewed by many energy producers as being unduly discouraging of their efforts to produce power from renewable sources for sale to the utilities. They cite overly restrictive and unreasonable conditions, low purchase rates and protracted negotiations as evidences of the way in which HEI utilities have acted to hinder their efforts. ...

Actions to Overcome Barriers. Accelerated development of the State's renewable energy resources for electric power generation will require overcoming the above and other barriers to commercialization. ..."²

¹ Filed in December 1984

² Legislative Reference Bureau Library KF421.5 R47 A85 85-46