

LAND USE COMMISSION
MINUTES OF MEETING

July 14, 12005

Sheraton Keauhou Bay Resort and Spa
78-128 Ehukai Street
Kona, Hawaii

COMMISSIONERS PRESENT: Thomas Contrades
Michael Formby
Kyong-su Im
Lisa Judge
Duane Kanuha
Steven Montgomery
Ransom Piltz
Randall Sakumoto

COMMISSIONERS ABSENT: None

STAFF PRESENT: Diane Erickson, Deputy Attorney General
Anthony Ching, Executive Officer
Bert Saruwatari, Staff Planner
Sandra Matsushima, Chief Clerk
Holly Hackett, Court Reporter
Walter Mensching, Audio Technician

Chair Sakumoto called the meeting to order at 8:40 a.m.

Chair Sakumoto noted that there was a public witness wanting to provide testimony on the Kamehameha Investment Corporation matter, although this matter was heard yesterday and will be continued on July 29. Chair Sakumoto allowed the witness to provide testimony at this time.

Public Witness

1. Violet Leihulu Mamac

Ms. Mamac stated that she is against the project development and asked that the Commission protect the historic agricultural lands of Hawaii.

There were no questions posed by the parties and the Commission.

Chair Sakumoto noted that there was no other public witnesses for either the Kamehameha Investment Corporation or HELCO docket.

A03-743 HAWAII ELECTRIC LIGHT COMPANY, INC.,

Chair Sakumoto stated that the Commission will continue with the Hawaii Electric Light Company docket.

Mr. Kudo gave a brief orientation for the new commissioners stating that this petition is not similar to other petitions because the HELCO power plant site in Keahole has existed since 1971. Mr. Kudo provided a history of the project and added that they will call upon their last witness, Mr. Warren Lee, President of HELCO, and conclude their case by highlighting their proposed plans for seeking the reclassification and reviewing why this location is the most viable of the alternatives considered for meeting the near and long term needs for this island.

Petitioner's Witness

1. Warren Lee

Mr. Lee stated that he is the President of HELCO. Mr. Lee's written testimony was offered into evidence as the Petitioner's Exhibit 60.

Mr. Kudo offered into evidence, Petitioner's Exhibits 60, 61, 62, 63, 63a, 64, 64a, 65, 65a, 65b, 67, and 68. There were no objections by the parties and said exhibits were admitted into the record.

Mr. Lee briefly summarized his written testimony and described why the reclassification of the current physical location is the most viable site. Mr. Lee discussed issues of permits and renewal, cost efficiency measures, near and long term demands, advantages related to emissions control technology systems, future plans, visual mitigation, landscaping plans, noise mitigation, air quality, industrial wastewater and treatment, hazardous and non-hazardous wastewater disposal.

A recess break was taken at 9:45 a.m. The meeting reconvened at 10:00 a.m.

Commissioner Formby raised a few questions related to the SCR/HRSG power generating systems and asked if there were such other units operating within the state.

Vice Chair Judge posed questions relative to the heights of the building structures.

Commissioner Kanuha had questions and concerns regarding the addition of the ST7 turbine, future required power generating plans, opportunities for further expansion of the present property, the status of integrated resources and energy efficiency programs, and the proposed area for any future generating station in West Hawaii.

Vice Chair Montgomery raised questions related to the master plan and necessary processes for developing a new site, advance planning for the 2017 time frame for a future station, expansion of the current site, and conservation efforts to reduce electric usage.

Commissioner Piltz had a few questions regarding the noise mitigation measures and emergencies.

Commissioner Im had questions and concerns regarding the project location and its proximity to the airport, and transportation of hazardous materials at the intersection (which serves as the main artery to and from the airport).

Chair Sakumoto raised a few questions relative to the PUC regulations and the costs of relocating to a different location, capital expenditures and consumer rate increases.

Commissioner Im posed questions related to the economic impacts and increase in power demands.

A recess break was taken at 11:05 a.m. The meeting reconvened at 11:25 a.m.

County's Witness

1. Norman Hayashi

Mr. Hayashi stated that he is a Planner with the County of Hawaii and that the County is in support of the Petition. Mr. Hayashi added that the application is consistent with the County's general plan and designates the area for urban expansion allowing for industrial uses. Mr. Hayashi noted that the height of the existing stack is 104 feet. The current County zoning code for this property for general industrial would be 50 feet, however, the Planning Director can approve the additional height if it feels the structure would be functionally necessary. In this case, if the land is zoned general industrial, the existing stack would be classified as an existing non-conforming use.

Vice Chair Montgomery posed a few questions relative to the cursory review of the Planning Director, capacity of the site at full build out, the tortured history, clean air mitigation, and the possibilities of an alternative site with trade winds.

Commissioner Im raised questions regarding the smoke stack height, the general industrial zoning 50-foot allowance, and previous approvals from the Land Board.

Ms. Leithead-Todd offered Exhibit Number 1 into evidence. There were no objections by the parties. The County's Exhibit 1 was admitted into evidence.

State's Witness

1. Laura Thielen

Ms. Thielen stated that she is the Director of the State's Office of Planning for the past 4 months. Ms. Thielen stated that the OP is in support of the Petition and provided a brief summary of their testimony.

There were no questions posed by the parties or the Commission.

2. Nolan Hirai

Mr. Hirai stated that he is the Supervisor of the Engineering Section, Clean Air Branch, Department of Health. Mr. Hirai discussed the permitting of stationary air pollution sources, implementation of state and federal requirements, and his familiarity with the operations of the HELCO power plant.

Commissioner Kanuha raised questions regarding the ambient air quality monitoring conducted on-site and off-site, volcanic emissions, and the relative mass or contributions that HELCO may be contributing to the vog.

Commissioner Im posed questions relative to the combustion products emitting from the smoke stack, the estimated number of pollutants, and the average number of carbon dioxide emissions from burned fuels.

Chair Sakumoto had a few questions regarding the process for the expansion permit or modification of the existing permit for the addition of the SCR unit.

After a brief discussion, there were no further questions posed by the parties or the Commission.

Chair Sakumoto noted the post-hearing instructions to the parties and directed that the parties draft their individual findings of fact, conclusions of law, and decision and order based upon the record in this docket. The proposed findings are to be tied in with the page and line numbers of the transcripts to identify the facts. In addition to the transcripts, the exhibits in evidence should also be referenced. Chair Sakumoto added that the Commission has standard conditions, which the parties should consider in preparing the proposed orders.

A copy of the standard conditions may be obtained by the Commission staff. Chair Sakumoto noted that there is a willingness to pursue a partial or fully stipulated order and that the parties should file their stipulated order with the Commission no later than August 1, 2005. Any proposed stipulation received by the Commission by this date may be considered at its regularly scheduled meeting on August 11-12, 2005 in Kona, Hawaii. The parties should consult with staff early in the process to ensure that technical and non-substantive formatting protocols observed by the Commission are adhered to.

The parties had no objections to the post-hearing instructions.

The meeting adjourned 12:10 p.m.

(Please refer to LUC Transcript of July 14, 2005 for more details on this matter.)