

RECEIVED

00 MAY 22 A 9: 40

**PART II  
PRIORITY GUIDELINES**

DRAFT

**DIV. OF WATER &  
POWER**  
The following are ~~Priority~~ Guidelines for implementation of the Policy Statement on geothermal development in the State of Hawaii.

1. As our geothermal energy resources are developed, continue to support research into and development of other indigenous energy sources. Further, through the auspices of the Hawaii Integrated Energy Policy Development Program, continue to re-evaluate and, as appropriate, revise State energy priorities.
2. Ensure that the designated responsible regulatory agencies establish performance standards (i.e., air quality and noise standards, set-back criteria, etc.). These criteria will provide a quantifiable unit of measure against which to monitor project development and operation compliance.
3. Require that responsible regulatory agencies develop resource conservation programs which include data collection and management, resource and facility monitoring, staff training and equipment, and research funding designed to monitor and evaluate development and operation activities.
4. Designate the State Department of Business and Economic Development to be responsible for the continued updating and evaluation of the geothermal database, and ensuring that this information is available to the public, other agencies, and the geothermal industry.
5. Continue efforts to establish the geothermal compensation asset fund for administration by the County of Hawaii.
6. Continue support of permitted and future geothermal development projects necessary to meet Big Island electrical needs, enabling the benefits of energy development to go first to the island most affected by such development.
7. Encourage further exploration for geothermal resources in the Kilauea East Rift Zone, as well as other prospective areas such as the Kilauea Southwest Rift Zone, to determine if adequate geothermal resources exist to justify continued support of geothermal development.
8. Continue and complete the master development planning process to determine the most environmentally-sound means of proceeding with further geothermal development for export to Oahu and perhaps Maui.
9. Continue <sup>review</sup> ~~support~~ of and participation in the HECO/State process for selection of a consortium to further develop, as necessary, geothermal resources for Big Island use, and for state-wide export should it prove technically, financially and environmentally feasible.

Mineral Resources Regulation

The focus of this program is the regulation of geothermal development activities and implementing rules and regulations regarding geothermal resources.

ACCOMPLISHED 1990-91

o Cooperated with DBEDT in establishing and a participating in a Geothermal Technical Advisory Committee to make recommendations regarding updating areas designated as geothermal resource subzones.

o Coordinated review of proposed Joint Agreement and operating Procedures for the geothermal/cable development consolidated permit review process for the inter-island transmission of electrical energy generated from geothermal resources.

o Updated administrative rules per subsequent statutes governing geothermal drilling, mining leases, resource subzones, and exploration.

o Continued the regulation of well drilling and related activities by commercial activities by commercial developers Puna Geothermal Venture and True/Mid-Pacific Geothermal Venture, as well as the monitoring of the University of Hawaii's Scientific Observation Hole Project on the island of Hawaii, including preparation of indices of permits issued to each, to provide coordinated project monitoring. ~~preparation of indices of permits issued to each, to provide coordinated project monitoring.~~

o Participated in Geothermal Resources Council 1990 International Symposium on Geothermal Energy in Kailua-Kona.

o Prepared proposals to resolve geothermal concerns such as continued state participation in an asset fund, methods to calculate geothermal royalties, and methods to weigh developers' requests for royalty waiver.

o Prepared a variety of proposals to permit requirements resulting from the July 1991 Environmental Investigation recommendations resulting from the investigation conducted at Puna Geothermal Venture.

PLAN TO ACCOMPLISH 1991-92

- o Public hearings to change
- o Implement recommendations
- o Promulgate revised assessment areas

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. BOX 3378  
HONOLULU, HAWAII 96801

o Review revised permit applications, conduct field inspection, and monitor geothermal exploration and development operations to ensure compliance with applicable statutes and regulations.

### Regulation of Geothermal Resource Development

The Division continues to regulate geothermal development activities according to provisions of administrative rules "Leasing and Drilling of Geothermal Resources", "Designation and Regulation of Geothermal Resource Subzones" and "Geothermal and Cable System Development Permitting". Subsequent statutes require revision of the rules through the public hearing process. A major effort has been underway this year to update these rules per the applicable statutes. Public hearings should take place in early 1992.

Two "kicks" or blowouts occurred at the Puna Geothermal Venture (PGV) site during February and June of this year as the developer was preparing for delivery of 25 MW of geothermal power. These unexpected events resulted in all PGV operations being suspended and an independent ~~investigation~~ Technical Investigation of the June 12, 1991 event being conducted. ~~As a result of this incident the County required all geothermal activities cease under an emergency proclamation status.~~

As a result, the Division has reviewed its rules and regulatory procedures, along with those of other agencies, in light of the resulting suggestions and recommendations of the Independent Technical Investigators to assure regulatory review by the appropriate agency and to assure adequate drilling plans.

PGV, True and SOH operations had been monitored on a daily basis by the Division. ~~Three~~ of four scientific observation holes were completed, providing core samples and other scientific information *for study.*

### Permitting of Geothermal and Cable System Development

The Geothermal/Cable Permit Center continues to provide assistance to parties interested in geothermal development. During 1990 a project was begun to assemble all permits for all existing projects for use by a coordinated monitoring team. The project will be completed after modifications resulting from the Independent Technical Investigation have been implemented.

Mineral Resources Regulation

The focus of this program is the regulation of geothermal development activities and implementing rules and regulations regarding geothermal resources.

## ACCOMPLISHED 1990-91

o Cooperated with DBEDT in establishing and a participating in a Geothermal Technical Advisory Committee to make recommendations regarding updating areas designated as geothermal resource subzones.

o Coordinated review of proposed Joint Agreement and operating Procedures for the geothermal/cable development consolidated permit review process for the inter-island transmission of electrical energy generated from geothermal resources.

o Updated administrative rules per subsequent statutes governing geothermal drilling, mining leases, resource subzones, and exploration.

o Continued the regulation of well drilling and related activities by commercial activities by commercial developers Puna Geothermal Venture and True/Mid-Pacific Geothermal Venture, as well as the monitoring of the University of Hawaii's Scientific Observation Hole Project on the island of Hawaii, including preparation of indices of permits issued to each, to provide coordinated project monitoring. ~~preparation of indices of permits issued to each, to provide coordinated project monitoring.~~

o Participated in Geothermal Resources Council 1990 International Symposium on Geothermal Energy in Kailua-Kona.

o Prepared proposals to resolve geothermal concerns such as continued state participation in an asset fund, methods to calculate geothermal royalties, and methods to weigh developers' requests for royalty waiver.

o Prepared a variety of proposed changes to permit requirements resulting from the July 1991 Independent Technical Investigation recommendations resulting from the June 1991 ~~blowout~~ incident at Puna Geothermal Venture. *uncontrolled venting(?)*

## PLAN TO ACCOMPLISH 1991-92

o Public hearings to change and update administrative rules

o Implement recommendations of Independent Technical Investigation

o Promulgate revised assessment of potential geothermal resource areas