

Maui-Molokai cable 'feasible'

Single ownership called the key

A recently completed state-funded report says it's technically feasible to lay an undersea electric cable from Maui to Molokai.

The report, prepared by the consulting firm CH2M Hill for the state Department of Planning and Economic Development, says such a cable would be economically feasible if a single utility owned it — seeming to suggest that the troubled Molokai Electric Co. Ltd. become part of Maui Electric.

Molokai Electric is privately owned; Maui Electric, which also serves the island of Lanai, is a subsidiary of Hawaiian Electric Co.

A Maui-Molokai cable would cost about \$15 million (not adjusted for inflation), have an annual cost of \$3 million and could be installed in four years, the report says. The cable could transmit electricity in both directions, providing Molokai with a stable source of Maui-generated power, while affording an opportunity for windfarms and other alternate energy projects on Molokai to ship energy back to Maui at certain times.

"Single-utility ownership (of the cable) would allow the cost of the cable to be spread over all the customers of the two islands," the report says. If Molokai financed the cable, the cost would be prohibitive, adding 13.6 cents per kilowatt hour to that island's already high electric costs — about 23 cents for residential use, compared with Maui's approximately 13 cents.

Hawaiian Electric Co., parent of Maui Electric, maintains that it would benefit all Maui County "if all three islands were part of same Maui Electric system," according to HECO president C. Dudley Pratt Jr. But Pratt said the possibility of bringing Molokai into the system that already serves Maui and Lanai is not now under active consideration.

More than a year ago it was under discussion, he said, but nothing satisfactory could be worked out — Molokai Electric wasn't interested.

David Slipher, president of Molokai Electric, said he couldn't comment on the undersea cable proposal since he has seen only a draft and no final report on the study.

Asked if his company would be willing to negotiate the possibility of becoming part of Maui Electric, he said after the voluntary financial reorganization of Molokai Electric is completed, "we can address that with some intelligence. We wouldn't reject it out of hand."

He said it was discussed prior to his joining the company in 1982. "and for reasons I'm not familiar with, the decision was not to pursue it."

The state-sponsored undersea cable study contends if the cable were constructed, it could provide power cheaper than Molokai's presently beleaguered electric production. It would have the side benefit of allowing Molokai to pursue renewable energy resources. For instance, Molokai's wind ener-

gy potential could be tapped. One of the problems with large wind generation is that wind is not always reliable and a backup is necessary. The cable would provide that.

In addition, about half the salaries of Molokai Electric could be eliminated, the study says, saving about \$800,000 a year. The power plant on that island no longer would be needed and administrative offices could be shifted to Maui.

Maui Electric president Arden Henderson said the feasibility study had no real surprises. "The main problem is, it costs an awful lot of money. This says \$15 million. The figures I've seen were for \$10 million."

Even with the high cost, though, Henderson said he felt if a cable were installed, Maui Electric could provide power to Molokai at a lower cost than they now pay. That's if customers don't have to pay for the massive debts piled up by Molokai Electric in its experiment with biomass power.

Molokai Electric in 1982 completed a 4-megawatt steam generator that burned hay or other biomass to generate power. But the \$7 million plant didn't last a year before malfunctions put it out of service and the company was forced to resort to using its old diesel generators.

Molokai consumers thus are now paying for the inoperable plant in their rates, which are the highest in the state. For a consumer using 600 kilowatts, a monthly bill will run between \$120 and \$130. By comparison, the same bill on Maui is between \$70 and \$80.