

PLANNING COMMITTEE

Council of the County of Maui

MINUTES

October 29, 2012

Council Chamber

CONVENE: 1:32 p.m.

PRESENT: VOTING MEMBERS:
Councilmember Donald G. Couch, Jr., Chair
Councilmember Gladys C. Baisa, Vice-Chair
Councilmember Elle Cochran
Councilmember Danny A. Mateo
Councilmember Joseph Pontanilla
Councilmember Michael P. Victorino
Councilmember Mike White (in 1:45 p.m.)

STAFF: Michele Yoshimura, Legislative Analyst
Clarita Balala, Committee Secretary

Seated in the gallery:

Lois Whitney, Executive Assistant to Councilmember Mike White

ADMIN.: William Spence, Director, Department of Planning
Michael J. Hopper, Deputy Corporation Counsel, Department of the
Corporation Counsel

Seated in the gallery:

David Goode, Director, Department of Public Works

OTHERS: Grant Chun, Vice President, A&B Properties, Inc. (Item No. 38)
Marc Ratte, Staff Engineer, Maui Electric Company, Ltd. (Item No. 46)
Mathew McNeff, Manager, Renewable Energy Services Department,
Maui Electric Company, Ltd. (Item No. 46)
John Mauri, Power Supply Manager, Maui Electric Company, Ltd. (Item
No. 46)

PRESS: *Akaku: Maui Community Television, Inc.*

CHAIR COUCH: ...*(gavel)*... Will the Planning Committee meeting of October 29, 2012 please come to order. It is now about 1:32 and I want to remind everybody to turn off their cell phones or at least put them in silent mode. Everybody, hand. Take it out. Make sure it's there. Good. Because if it goes off in the audience, we'll, we'll make sure to --

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COUNCILMEMBER VICTORINO: Send you home?

CHAIR COUCH: --mention, yeah.

COUNCILMEMBER VICTORINO: We'll send you home.

CHAIR COUCH: We'll make sure to mention it.

VICE-CHAIR BAISA: Put that on.

CHAIR COUCH: I want to welcome the voting Members today, the Committee Vice-Chair, Gladys Baisa --

VICE-CHAIR BAISA: Good afternoon, Chair.

CHAIR COUCH: --Council Chair Danny Mateo --

COUNCILMEMBER MATEO: Good afternoon, Chair.

CHAIR COUCH: --Council Vice-Chair Joseph Pontanilla.

COUNCILMEMBER PONTANILLA: Good afternoon.

CHAIR COUCH: Good afternoon. And Councilmember Elle Cochran.

COUNCILMEMBER COCHRAN: Aloha. Good afternoon.

CHAIR COUCH: Aloha. And Councilmember Mike Victorino.

COUNCILMEMBER VICTORINO: Good afternoon, Chair.

CHAIR COUCH: Good afternoon. And Councilmember Mike White is excused. From the Administration, we have Will Spence, Planning Director.

MR. SPENCE: Good afternoon, Chair.

CHAIR COUCH: Good afternoon. And I believe we're going to have David Goode come up in just a little bit. Legislative Staff, we have the Legislative Analyst, Michele Yoshimura, good afternoon, and Committee Secretary Clarita Balala. Good afternoon, Clarita.

Alright, the items on the agenda today are PC-38 Annual Compliance Report - Maui Business Park Phase II Project and then PC-46 Annual Status Report - Waena Generating Plant. It doesn't look like we have any testifiers, do we? Okay, without any objection, I'd like to close public testimony.

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COUNCIL MEMBERS: No objections.

CHAIR COUCH: Okay. Thank you.

ITEM NO. 38: ANNUAL COMPLIANCE REPORT - MAUI BUSINESS PARK PHASE II PROJECT (CC 12-141)

CHAIR COUCH: Members, let's get on to Item No. 1. In your binders, this is PC-38, the Annual Compliance Report for Maui Business Park Phase II Project. In your binders is correspondence dated October 3rd, from A&B Properties, providing a response related to my question at our last meeting, regarding the distances between intersections on the Hana Highway. Members, if you have any questions, we have Mr. Chun...is not here. Okay, yeah. Oh no, yeah he is. He's in the back if we have any questions. But it's my, it's the Chair's intent to go ahead and file this but I just wanted to, we had this open question so I wanted to give you a chance to take a look at the distance between each intersection is gonna be about 1,500 feet, which is, to me, rather short. Anyway, Members, any questions or comments on this? Mr. Pontanilla, you look like you're...

COUNCILMEMBER PONTANILLA: Well, thank you. Just a comment.

CHAIR COUCH: Uh-huh.

COUNCILMEMBER PONTANILLA: As far as the intersection of Dairy Road and Hana Highway, would, would be nice if we had, like say, an overpass underpass.

CHAIR COUCH: At Dairy Road or...

COUNCILMEMBER PONTANILLA: Dairy Road and Hana Highway, but that's a State issue.

CHAIR COUCH: Yeah. Yeah, okay.

COUNCILMEMBER PONTANILLA: That's it.

CHAIR COUCH: Yeah, I, I...the Airport Bypass Road is 1,500 feet from this intersection and then Hookele Street is another 1,500 feet, so that's kind of a lot of lights in one small section. So hopefully we can figure out with the State DOTs. We can try something new and exciting over there. Alright. Thank you, Mr. Pontanilla. Members, any further questions or comments? Then I will entertain a motion to, if there is no further discussion, I'll entertain a motion to recommend the filing of County Communication No. 12-141.

VICE-CHAIR BAISA: So moved, Chair.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

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CHAIR COUCH: Okay, it's been moved by Member Baisa and seconded by Member Victorino to file County Communication No. 12-141. All in favor, please say, "aye"?

COUNCIL MEMBERS: Aye.

CHAIR COUCH: Opposed? Motion carries, six ayes and one excused, and that is Mr. White.

VOTE: AYES: Chair Couch, Vice-Chair Baisa, and Councilmembers Cochran, Mateo, Pontanilla, and Victorino.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember White.

MOTION CARRIED.

ACTION: Recommending FILING of communication.

CHAIR COUCH: Okay. Members, Item No. 2. We received an Annual Status Report from the Waena Generating Plant issue. Maui Electric Company has submitted a status report in accordance with Condition 6 of Ordinance No. 2879 relating to a Change in Zoning from Agricultural District to M-2 Heavy Industrial District, it's Conditional Zoning, for the Waena Power Generating Station located on property situated at Pulehu Nui, Wailuku, Maui, Hawaii. The report is in binder dated August 21, 2012 and we have some people here from Maui Electric. If you have any questions for them, their report is in the binder. And we have Mr. Ratte, I believe...yes, Mr. Marc Ratte, Staff Engineer from Maui Electric and some, some backup if need be. So, Members, do you want to bring them down?

**ITEM NO. 46: ANNUAL STATUS REPORT – WAENA GENERATING PLANT
(CC 12-188)**

COUNCILMEMBER VICTORINO: Yeah, please.

CHAIR COUCH: Okay, Mr. Ratte, come on down. Yeah, please. Thank you, Mr. Ratte. Just for the record, please state your name and then some of the Members may have some questions for you.

MR. RATTE: Okay. My name is Marc Ratte from Maui Electric Company.

CHAIR COUCH: Okay.

COUNCILMEMBER PONTANILLA: Chair?

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COUNCILMEMBER VICTORINO: Chair?

CHAIR COUCH: Mr. Pontanilla, then Mr. Victorino, and I'll just straight down the line.

COUNCILMEMBER PONTANILLA: Thank you. Thank you, Mr. Ratte, for being here. You know, this morning we talked about our wastewater treatment plant at Kahului, looking at probably going further inland to do the processing. In regards to your power plant, you know, we had a scare over the weekend regarding tidal wave, or tsunami, and I understand that your power plant is geared to withstand I, I don't know what kind waves or what kind pressure on the steel doors as well as the whole infrastructure. Can you give us some inside information in regards to should a tsunami come across Kahului, you know, what kind of assurance that we have, if you can, that the power plant will still be operational?

MR. RATTE: Okay. I unfortunately don't have any specific numbers for you as far as how big a wave the plant could withstand but I'll give you what I know. There is a tsunami wall in front of the power plant. The tourists walk along there and look at the turtles. I don't know if it's maybe 15 feet above sea level, something like that. During the Japanese tsunami a year and a half ago, we did, the wave did come over the wall and put some debris throughout the power plant. There was some minor flooding. Nothing substantial from that level wave. This, this tsunami over the weekend didn't have any impact on the plant although we did turn the plant off. As you mentioned, there are steel doors that are closed in situations like this. The plant was put in, in the '40s. It was, it's, it's built, it's built very substantially. I don't believe there's any specific code or anything like that, that I can reference for you.

COUNCILMEMBER PONTANILLA: Okay. In regards to the Waena, proposed Waena Plant, was that supposed to replace the Kahului Harbor Plant that you have presently?

MR. RATTE: Well, there's certainly been discussion along those lines. At this, at this particular time I'm not aware of any specific plans to close the Kahului Plant. The Waena, the Waena Plant at this point is, is, the primary purpose of that is, is to provide generation that is primarily to allow us to accept as much renewable energy on this system as we can so that, that, that generation is gonna be quick start, peaking-type generation as opposed to the Kahului Plant, which is currently providing some base load generation.

COUNCILMEMBER PONTANILLA: Okay, so basically, the main purpose would be receiving all this renewable from I, I guess Ulupalakua, this side on the mountain, and any future other type of renewable energy here in Maui?

MR. RATTE: Yes, I'd say that's correct. It's, we need firm, as you know, we need firm generation to allow intermittent generation on the system. So the purpose would be to provide firm generation.

COUNCILMEMBER PONTANILLA: Okay, thank you. Thank you.

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CHAIR COUCH: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. Thank you, Mr. Ratte, for being here. Couple of quick questions. As you mentioned earlier, quick start. What does that term mean for...because I understand Maalaea, I understand Kahului, you know, you have to keep these generators and these turbines moving at a certain rate. You just don't shut them off or start them up, you know, it's not that easy. So are you saying that when we get our Maui Waena Plant, it would be something where you could start up very quickly for whatever needs would come about?

MR. RATTE: That's correct. You know, the current generation at Kahului and then the generation at Maalaea was, was installed at a time where utility provided base generation. Units would start. They'd stay on for hours and it, they weren't designed for what we're asking them to do now, which is to be able to start, you know, as the wind goes up and down in, in five minutes or, or less. It's really by the second. So we've, we've done certain things to our plants, to our units, to allow them to start and stop more quickly, but the bottom line is the boilers at Kahului, for instance, take hours to start up, to heat up. So by quick start, you know, and just, just in general, quick start is to do exactly what you said to be able to be started up in the, on the timeframe of minutes rather than hours.

COUNCILMEMBER VICTORINO: Okay, and how much, right now, of Maui Electric's utility consumption that you sell to us, how much is it right now renewable energy? How, what is the percentage?

MR. RATTE: Matt, do you have that number? I'm going to ask Matt. Matt's our Renewable Energy --

COUNCILMEMBER VICTORINO: If you don't mind, Mr. Chair?

MR. RATTE: -- Manager.

CHAIR COUCH: No, not at all. Come on, Mr. McNeff.

COUNCILMEMBER VICTORINO: This is all relevant to what we're discussing.

CHAIR COUCH: Yes.

COUNCILMEMBER VICTORINO: Yeah, please.

MR. MCNEFF: So...

CHAIR COUCH: Please, please state your name.

MR. MCNEFF: Oh, I'm sorry. My name is Matt McNeff. I'm the Manager of Renewable Energy Services at Maui Electric. So the Renewable Portfolio Standard, that's the law that MECO needs

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to meet with regards to renewable energy for 2011, MECO was at 29.1 percent.

COUNCILMEMBER VICTORINO: Okay.

MR. MCNEFF: That also includes things like energy efficiency and solar hot water heating. If you were to ignore that and only look at the generation, renewable percentage was about 17 percent last year.

COUNCILMEMBER VICTORINO: Okay, and with, with all the, like up here in Ulupalakua and then, you know, there's much more going on. Solar farms are being produced right now. I know that some of them will be coming in very soon. I've seen the plans. How does this fit with Maui Waena? Because, again, I think Maui Waena is, is really saying the Waena Plant is gonna be the plant of all things with renewable energy being the core and it being the quick start, as you mentioned, Mr. Ratte. So how does this fit and what are your ultimate plan and goal to get this completed?

MR. MCNEFF: Okay, well as you mentioned, you know, even this year we're adding a lot more renewable energy. There's two more wind farms coming on in 2012. That's all with the goal to increase our renewable percentage. And then to add on to what Marc mentioned previously, the generation that will go in to Waena is, needs to be, come in under a competitive bidding process. So we kind of submit an RFP and people submit bids for what kind of generation will go there, and some of the requirements are that it needs to be renewable. So unlike the wind farms that we've been incorporating, that will be some firm renewable generation. And so not only will that likely allow more as available but itself will be firm, I mean firm and renewable. So all those things are to get us to higher penetrations of renewable energy.

COUNCILMEMBER VICTORINO: Okay, Mr. Chair, and the last question and then I'll let others ask. The last question I have for you is I...now many people are starting to put photovoltaic on their roofs and, you know, and you get smart metering and net metering, you get all these different metering systems. How does that fit with your plan? Because all of that is power being generated at a small location either for their use or to sell back or to be shot back into the system. How do you work that into your plan?

MR. MCNEFF: Well, you know, definitely there is a lot of PV going in right now under the Net Energy Metering program and, you know, that is both, you know, MECO has rules that allow that as well that's in the HRS.

COUNCILMEMBER VICTORINO: Uh-huh.

MR. MCNEFF: So we continue to add that. Most of that or, you know, the vast majority of that occurs during the day and the thing that really drives us to install new generation is the peak and that occurs typically at nighttime. So while that lowers the daytime generation, it doesn't necessarily defer us from needing to add additional generation. So, you know, we, we make projections on how much NEM we think is gonna go in. It typically affects our sales forecast for future years.

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It doesn't have a large effect on what we think the peaks for future years will be.

COUNCILMEMBER VICTORINO: Okay. Thank you. Thank you for that, I appreciate it. Thank you, Mr. Chair.

CHAIR COUCH: Thank you. Chair would like to recognize the presence of Councilmember White. Thank you.

COUNCILMEMBER WHITE: Aloha, Chair.

CHAIR COUCH: Alright. I know at least Ms. Baisa...Mr., Chairman Mateo, anything?

COUNCILMEMBER MATEO: Yeah. Thank you, Mr. Chair. Gentlemen, good afternoon and thank you for being here. I guess real basically, once Waena comes on line with the introduction of the renewables, what kind of cost savings can the consumers start looking at? Yeah, I know, I just want them to say it.

MR. MCNEFF: Well, as I mentioned, we're not sure what's gonna go at Waena yet. The PUC requires us to go through a competitive bidding process. So how much that does or doesn't affect the rate will likely, you know, in, at least in part be determined by what kind of bids we receive and what the associated costs are.

COUNCILMEMBER MATEO: Okay. So, so even with, even with inclusion of like, you know, what you mentioned the two additional wind farms, you know, and, and what Mr. Victorino was just referencing to, which is the photovoltaic use, we, at what point can we the consumers start realizing any kind of reduction from our utility costs?

MR. MCNEFF: Well, I think like when some facilities come on line, like KWP-I, it came on line and we started purchasing energy from them. Likely there was a reduction in bill but it was probably masked by increased oil prices such that the net was an increase. Overall, our plan is to try to replace fossil generation with renewable generation with the plan that in the long term it will be cheaper than fossil generation. Not necessarily that at the time it's built and, you know, becomes operational that it will necessarily be cheaper than fossil fuel. So MECO does like a 20-year forecast, forecasts what's the fuel costs are gonna be over that time period and then factors in what the cost for the renewable energy will be and we aim for the relative costs of those two for renewable to be lower. But that doesn't mean necessarily right when the project comes on line that the bills will be lower.

COUNCILMEMBER MATEO: Yeah. No, thank, thank you for that. It's just, you know, I, I'm kind of a frustrated consumer because I've, I've conserved use, you know, I support alternative energies, you know, so at one point the utility company has had to reduce their, I guess purchase of fossil fuel because the utilization by the, by the general public has gone down. So I just continue to wait for reductions in my utility costs before I have to start using bonfires in my yard. Thank you.

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CHAIR COUCH: Thank you, Mr. Chair. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, MECO, for being here. So this particular area, we had some huge mass proposals for urban growth in the Pulehu Nui area. So this plant is in conjunction with perhaps this proposed build out in that particular area at all? Is there something to do with each other? Do you know?

MR. RATTE: MECO purchased the land back in '96 and we went through a Change in Zoning process through '98 and I believe it concluded in around year 2000 here with County, the County bill. To my knowledge, that happened, or that approval was prior to the Change in Zonings that have been going on more recently. So I, I don't believe, I'm not aware of a, of a connection between the two.

CHAIR COUCH: And, Ms. Cochran --

COUNCILMEMBER COCHRAN: I see.

CHAIR COUCH: -- that area is right across the street from the current landfill. All that, according to everybody, is Pulehu Nui, all the way down to the racetrack.

COUNCILMEMBER COCHRAN: Okay, I'm looking under the first paragraph area at the very bottom. Plans to offer the Waena site to third parties as a potential location for their generation projects.

CHAIR COUCH: Right, but it's immediately across the street from the landfill.

COUNCILMEMBER COCHRAN: Okay. So kind of away.

CHAIR COUCH: Uh-huh.

COUNCILMEMBER COCHRAN: And my other question is just looking through your, your annual report here, it's in regards to DMS, Distribution Management System to go live scheduled for October 2012. So we are currently October 2012. This is the grid integration portion, item number 6. And, so is that, has that gone live or whatever that means? Do you know where I'm talking about here in your compliance report? Feasibility of Alternative Energy Sources and number six Grid Integration item b, or sorry, item a.

MR. MCNEFF: Yeah, that part refers to the Wailea Smart Grid Project. It is currently ongoing. I'm not sure if it's considered live yet. I think there's a slight delay but meters are being installed for that project.

COUNCILMEMBER COCHRAN: But the term "go live" means it's happening, or...

MR. MCNEFF: Yeah. It, it was planned at the time we wrote the report to go live in October. I believe

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there has been a slight delay.

COUNCILMEMBER COCHRAN: And one follow-up, Chair?

CHAIR COUCH: Sure.

COUNCILMEMBER COCHRAN: In regards to a battery, the design of a battery, you mentioned that your peak power is in the evening; thereby, the solar renewables are, obviously no sun at night. So I think it's really important that this happens when and you're now anticipating it to occur late next year, the battery, the backup battery system?

MR. MCNEFF: Yeah. So that battery was designed to reduce load on that feeder. The selected vendor for that battery was A123, which has recently gone bankrupt. So I'm not sure, that might delay the schedule even further.

COUNCILMEMBER COCHRAN: Right. And again, I'd, I'm first, I'm a actual live example of someone who's not tied into MECO and I do have solar, wind, and a battery backup. So, my evenings are well powered up because of my battery backup. So, just, I definitely highly encourage that to occur quick. So thank you, gentlemen. Thank you, Chair.

CHAIR COUCH: Ms. Baisa.

VICE-CHAIR BAISA: Thank you very much, Chair, and thank you, guys, for being here this afternoon. I'm just wanting to, let's talk a little bit about the role HC&S plays in power generation. Can you tell us how much they generate and what, what their participation means in any future that they're looking at?

MR. RATTE: Well, the rough, the rough contribution HC&S is, has provided in recent years, I, I don't want you to quote me on this but it's somewhere in the 7 percent range overall, of overall MECO sales.

VICE-CHAIR BAISA: And they get that by, by doing what?

MR. RATTE: Well right now there's some good examples out there. They're burning cane obviously. They, they gather the cane, bring it in to their factory, and the bagasse portion of the cane, the unusable portion of the cane, they use, they burn that portion similar to you would burn wood, let's say, create steam, create electricity from that to not only power their own internal needs, their own pumps, but also they export through the purchase power agreement with MECO. Typically, they provide 12 megawatts on peak and 8 megawatts off peak.

VICE-CHAIR BAISA: Thank you very much. I think it's important to note that they do play a role in providing energy for our island. The other thing was can you guys explain a little bit about a smart grid? You know, we get a lot of information through e-mails and phone calls and whatever, people concerned about radiation from a smart grid. Can you address that?

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MR. MCNEFF: I, I know there are concerns related to the smart meters.

VICE-CHAIR BAISA: Smart meters, I'm sorry.

MR. MCNEFF: Basically it's related to the communication inside the meter.

VICE-CHAIR BAISA: Yes.

MR. MCNEFF: You know, that, that's something we're trying to address. I believe the Wailea Smart Grid Project is voluntary whether people wanted the smart meter or not. So we didn't impose it on anyone that felt concerned about the, you know, the radiation impacts. Yeah, I mean in general the project is designed to, you know, give people more information about their electrical usage to be able to increase the reliability of the, of the grid as well as integrate more renewable energy.

VICE-CHAIR BAISA: I, I wanted you to talk about the benefits of it because, you know, all the publicity that we get is negative. So I wanted you to have the opportunity to address the positive benefits of it.

MR. MCNEFF: Sure. So I, I kind of briefly mentioned, but, you know, the idea behind a smart grid is a grid that would react to either excessive generation or excessive load by helping to alleviate the problems. So if there's too much generation, maybe increase the load on people's, on, charge the battery for example. If there's not enough generation maybe lessen people's usage of electricity through their hot water heater or whatever like that, and also to, you know, just provide people more clarity into what appliances will use how much electricity and kind of where their electricity usage is going. Yeah, so those are some of the benefits to the smart grid as well as, you know, just integrating more renewable energy.

VICE-CHAIR BAISA: Well, thank you very much. I think it's important that, you know, everybody understand what these things are about. We all hear little snippets but then we don't, might not understand well why are we even doing this. So thank you very much.

MR. MCNEFF: Thank you.

CHAIR COUCH: Thank you, and guys, I have a couple questions for you real quick just on the report. It says that the competitive bid request for proposals is expected to be released in late 2012 unless the final analysis of the sales and peak forecast. Is that still on track or are you extending your date?

MR. RATTE: The plan at this point is that the RFP will get released sometime later this year. So that, that is still on track.

CHAIR COUCH: You only got two months left. Good. That's a good thing. You had said that the

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algae is basically, they're done? They're not going to algae to biofuel?

MR. RATTE: That's correct.

CHAIR COUCH: Okay. And in your, in your feasibility of alternative, alternate, alternate energy sources, I don't see anything about waste-to-energy. I know our, our Department of Environmental Management is looking very close at getting some waste-to-energy in there and also geothermal. Have you been contacted by those folks about giving you some input?

MR. MCNEFF: Yeah, we've been contacted both by the County with regards to waste-to-energy facilities as well as geothermal. I, I'm not sure at the time we prepared this report, which I think was early this year, I can't remember if we had started discussing waste-to-energy yet.

CHAIR COUCH: Okay. And geothermal?

MR. MCNEFF: Yeah, again most of the meetings probably came after this. You know, I guess we've had meetings over the years --

CHAIR COUCH: Right.

MR. MCNEFF: -- every once in a while but...

CHAIR COUCH: But nothing's --

MR. MCNEFF: Yeah.

CHAIR COUCH: -- concrete.

MR. MCNEFF: Right. So, in general we have to have, usually it needs to be a little more concrete to put it into this type of report.

CHAIR COUCH: Okay. And Ms. Baisa, then we'll just go back this way.

VICE-CHAIR BAISA: Okay. Thank you very much, Chair. Just wanted you also, if you could, just say a little bit about the IRP process that is going on. A lot of people are asking me questions about where all this is going, and of course Ms. Cochran and I have the opportunity to be members of the task force. Could you just explain what that is and how long it's going to take, what we're doing?

MR. MCNEFF: Sure. So the IRP, or the Integrated Resource Planning, is the utilities way to have a long-term plan for our generation. Yeah, so basically that's how the community, the MECO, HECO, and HELCO, we get input from the community through the advisory group on how we should plan the next increments of generation. That, that process usually lasts about a year and we're somewhere a little short of halfway through it right now. So that process has been going

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on pretty much for years. We've always had community meetings and advisory groups to help us plan for the next increment of generation.

VICE-CHAIR BAISA: So it's supposed to be finished, isn't it April or sometime?

MR. MCNEFF: Yeah, I believe mid next year is when we would submit the report or the work plan.

VICE-CHAIR BAISA: Okay. Thank you very much.

MR. MCNEFF: Yeah.

CHAIR COUCH: Thank you. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. Yeah, I was looking at the Cellana Company 'cause I was over in, on the Big Island for HSAC around June/July, and we did a tour of their company, and they were back then telling us that they were still interested on doing this project on Maui, but your report says March of 2012 is when they ceased discussion in doing this. So that seems like a little discrepancy as far as when I had spoken to the company back in June/July. So, there.

Back to the item six, number six item b, MECO was awarded 1.2 million in Federal stimulus in regards to a energy demonstration project, which is for the batteries, I think, the battery design and construction, whatever to increase grids ability. I'm getting a lot of complaints from Lahaina, from West Maui. So is this going to end, help alleviate that for the people that are trying to integrate in but yet they are told it's saturated at this point?

MR. MCNEFF: No. This particular battery was more to explore the curtailment mitigation aspect of renewable energy. So that has more to do with the facilities that are already installed cannot sell all the electricity that they currently can produce. So we had this sort of pilot project with the battery to see what we, how a battery could facilitate additional renewable energy integration from the existing facilities.

COUNCILMEMBER COCHRAN: Okay, so how are we going to address the concerns of people who want to tie in but aren't able at this point?

MR. MCNEFF: Well, just recently, maybe two or three weeks ago, MECO has increased the screening criteria, which should allow additional renewable energy on, on, you know, for distributed generation like you're referring to.

COUNCILMEMBER COCHRAN: Oh.

MR. MCNEFF: It, it kind of depended on how, what the percentage was on the circuit at the time. So if it was less than 75 percent of the daytime minimum loading though, it did allow additional systems to be integrated. And, and that's only integrated without any, a study required, being required.

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COUNCILMEMBER COCHRAN: Uh-huh.

MR. MCNEFF: We, we never tell people no, it's just some, some systems may require a study.

COUNCILMEMBER COCHRAN: Got it. Okay, thank you.

MR. MCNEFF: Uh-huh.

COUNCILMEMBER COCHRAN: Thank you, Chair.

CHAIR COUCH: Thank you. Mr., Chair Mateo?

COUNCILMEMBER MATEO: Mr. Chairman, I started my own kukui nut grove . . . *(inaudible)* . . .

COUNCIL MEMBERS: . . . *(Laughter)* . . .

CHAIR COUCH: Mr. Victorino?

COUNCILMEMBER VICTORINO: Holy.

CHAIR COUCH: Mr. Victorino?

COUNCILMEMBER VICTORINO: Well, I, I'm going to start something too, you know, we get a lot of biomass going and then we'll be, we'll be ready for it. I think if you plant, what is that, eucalyptus, we can wait about 20 years and they'll be ready, or 10 years, something like that. Isn't that what, what the Big Island did? What kind of trees did they plant over there? Whatever they did, they've planted the whole, the Honokaa side. They've got a lot of acreage of trees waiting to be harvested for energy. The problem is they don't wanna approve the facility now. So it is what it is, Mr. Chair. Thank you.

CHAIR COUCH: Alright. Thank you. Mr. White, did you have any questions?

COUNCILMEMBER WHITE: No questions.

CHAIR COUCH: Mr. Pontanilla?

COUNCILMEMBER PONTANILLA: Yeah, maybe just one more question. In regards to cost per kilowatt and, you know, looking at all this renewable, your cost per kilowatt today is how much and with all this renewable that's coming in, what can we see, you know, maybe 10 years from now or 20 years from now, in regards to the State objective being, I guess, fossil free by 30 percent or going renewable by 30 percent?

MR. MCNEFF: Sure, so you're right, our target is 40 percent renewable generation by 2030 and, you

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know, as I mentioned we're kind of on, on track to meet that. I'm not exactly sure what the cost per kilowatt hour will be in say 10 years, you know. If you're 40 percent renewable generation that means you're 60 percent fossil and it'll be heavily dependent on how much fuel costs at the time, what the cost per kilowatt will be.

COUNCILMEMBER PONTANILLA: Yeah, you know, like Ms. Cochran had mentioned, we had gone to a conference on the Big Island and one of the panel speakers was the Manager, or the President of the Hawaii Electric Company. And what they're looking at is that getting down from 32 cents to 22 cents per kilowatt hour, and basically they have the advantage because of geothermal on that island and the cooperation of the, both companies as well as the people on that island to get it down. So, you know, he, he's almost, he's almost there and, you know, I commend Hawaii Electric for, you know, being innovative in trying to get those kilowatts hour, kilowatt hours down on the Big Island. So I just was curious, you know, what is your target in regards to getting our kilowatt hours down and possibly looking at some savings for, you know, end users like me that don't have photovoltaic?

MR. MCNEFF: I don't think I, we have a target that I can say, but definitely we are trying to get it as low as we can, and that's why we're kind of excited about the potential for geothermal on Maui. Hopefully, you know, it will lead us down the same path as HELCO is going.

COUNCILMEMBER PONTANILLA: Okay, thank you. Thank you, Chair.

CHAIR COUCH: Okay, thank you. Members...Ms. Baisa?

VICE-CHAIR BAISA: One last one while we have these folks here, we don't get these kind of guys here very often.

CHAIR COUCH: I know.

VICE-CHAIR BAISA: There's been a lot of talk about, you know, photovoltaics and people wanting to put them in and whatever, and I was told recently and I'd like clarification that the credits that you can get now for PV are gonna disappear. What's the story?

MR. MCNEFF: As far as the credits on the meter for, you know, if you make extra during the day you can use it during the night, there's no plans by MECO or HELCO or HECO to remove those. I don't know if you're referring to like the State...

VICE-CHAIR BAISA: How about the State and --

MR. MCNEFF: Yeah.

VICE-CHAIR BAISA: -- Federal tax credits? They're disappearing?

MR. MCNEFF: Those I, I'm not sure. You know, it seems like every year near the end of the year

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there's always a scare that they're gonna disappear. They haven't yet but I, I'm not sure what, what's going to happen with those.

VICE-CHAIR BAISA: I see. So we're awaiting action on those?

MR. MCNEFF: Yeah.

VICE-CHAIR BAISA: Okay. Well they play a big part because if a person is gonna purchase the PV system and you can get all those credits, it certainly is an incentive. You'd be a fool not to get it if you can.

MR. MCNEFF: Definitely. In fact that's one of the reasons why, you know, Maui Electric installed more PV last year than we had in the previous 10 years combined and this year we've already installed more than we did last year.

VICE-CHAIR BAISA: Guilty. Just got one. Thank you.

CHAIR COUCH: Alright, Members, any further comments or questions? Thank you...oh, did I see a hand going up over there? No? Thank you, gentlemen. I didn't think there would be that many so sorry for keeping you up there for so long. Alright, Members, if there is no further discussion I'll entertain a motion to recommend the filing of County Communication 12-188.

VICE-CHAIR BAISA: So moved.

COUNCILMEMBER VICTORINO: Second, Mr. Chair.

CHAIR COUCH: It's been moved by Ms. Baisa, seconded by Mr. Victorino. Is there any further discussion?

COUNCILMEMBER COCHRAN: Chair?

CHAIR COUCH: Yes?

COUNCILMEMBER COCHRAN: Planning Department's here. I don't know, did they have comments?

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: I just wanted to wake Mr. Spence up there if he had --

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: -- something to say.

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MR. SPENCE: Thank you, Mr. Chairman. I don't have any comments for this meeting.

COUNCILMEMBER COCHRAN: Okay, just checking.

CHAIR COUCH: Okay, great. Thank you. That being...oh, any further discussion? All those in favor, please say, "aye"?

COUNCIL MEMBERS: Aye.

CHAIR COUCH: Opposed? Motion carries, seven ayes, zero noes, and no excused.

VOTE: AYES: Chair Couch, Vice-Chair Baisa, and Councilmembers Cochran, Mateo, Pontanilla, Victorino, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

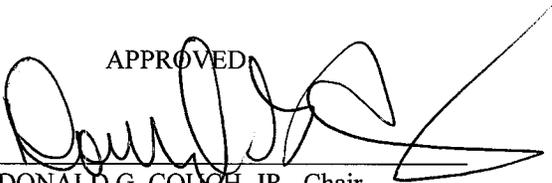
EXC.: None.

MOTION CARRIED.

ACTION: Recommending FILING of communication.

CHAIR COUCH: Members, that's the last thing we have on our agenda today. I want to thank you and get ready for TDRs. They're coming. Alright. This meeting is adjourned. . . . (gavel). . .

ADJOURN: 2:09 p.m.

APPROVED

DONALD G. COUCH, JR., Chair
Planning Committee

pc:min:121029

Transcribed by: Kekai Robinson

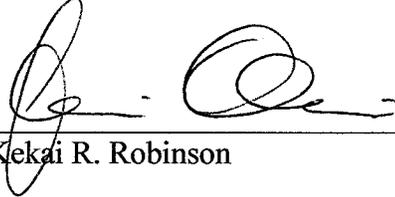
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CERTIFICATE

I, Kekai R. Robinson, hereby certify that the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 19th day of November, 2012, Wailuku, Maui, Hawaii.



Kekai R. Robinson