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Planning Department

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GEOTHERMAL/CABLE
PERMIT CENTER

August 16, 1989

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Mr. William R. Coops
Managing Director
The Natural Energy Laboratory
of Hawaii
220 S. King Street, Suite 1280
Honolulu, HI 96813

Dear Mr. Coops:

Special Permit No. 392
HGP-A Geothermal Research Station
TMK: 1-4-01: Portion of 2

This is to acknowledge receipt of your letter dated June 23, 1989, responding to our request for information with respect to the status and level of your efforts to comply with Condition No. 6 of Special Permit No. 392.

Based on your response, it is our understanding that it is the NELH's intent to shut down the generating plant and to provide geothermal fluids from the HGP-A well to Puna Geothermal Venture (PGV). As part of this process, an action plan will be developed which will include:

- * restoration of the ground where the percolation ponds are situated;
- * removal of piping and storage vessels;
- * general sprucing up of the grounds.

The NELH intends to keep the Noi'i O Puna Research Center in operation, with geothermal fluids being supplied and disposed of by PGV as part of the overall agreement to be negotiated.

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It is your expectation that the HGP-A power plant will be closed by early 1990. In the meantime, you are proposing a maintenance and repair program to keep the plant operating safely. Activities include:

- * major overhaul of the facility;
- * hiring of an on-site project engineer to assist HELCO in managing, coordinating and overseeing the work items;
- * install a second steam/brine separator unit.

In general, we concur with your intent to recycle the HGP-A power plant. However, the schedule and process as you have proposed is contingent upon reaching an agreement with PGV. As you are aware, PGV has applied for but not yet received its Geothermal Resource Permit (GRP) for its 25 megawatt geothermal facility.

The Planning Commission is presently considering PGV's GRP. Consequently, until the Commission has acted on the GRP, it would be premature on our part to accept your mitigation program with respect to HGP-A.

Accordingly, we will defer further action on this matter until PGV has completed its permitting and an agreement has been reached between PGV and NELH. This deferral should not be construed as an acceptance of your mitigation program. Amendments to both PGV and HGP-A permits will likely be required to implement any action plan.

In the meantime, it is our understanding that the actions proposed under your "Immediate Action Plan" will be implemented in a timely manner. In this regard, we are hereby requiring your submittal of a detailed maintenance and repair program and implementation schedule, including budget.

In addition to the above, we require the following information to be submitted by September 8, 1989, to assist us in our continuing review of the HGP-A operation:

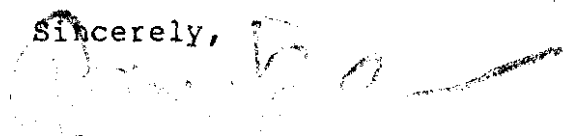
1. Your judgment of what is a reasonable expectation or probability of occurrences of open venting of the well which should not be exceeded. This is independent of whether or not the system is transferred to PGV.

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2. The expected life, maintenance and replacement schedule of critical fixtures and elements related to the wellhead, the steam and brine distribution system, and other components related to the existing and on-going operation of the power plant and research facility.

Your continuing cooperation in this matter is appreciated. Please feel free to call me or my staff should you have any questions on the above.

Sincerely,



DUANE KANUHA
Planning Director

DK:aeb

cc: Mayor
Research & Development
Planning Commission
Dept. of Business & Economic Development

bcc: Deputy Managing Director
✓Sus Ono