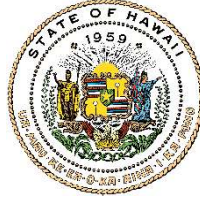
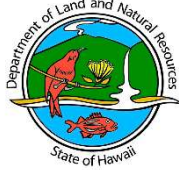


**JOSH GREEN, M.D.**  
GOVERNOR | KE KIA'ĀINA

**SYLVIA LUKE**  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'**  
**DEPARTMENT OF LAND AND NATURAL RESOURCES**  
**KA 'OIHANA KUMUWAIWAI 'ĀINA**

P.O. BOX 621  
HONOLULU, HAWAII 96809

November 22, 2023

**DAWN N.S. CHANG**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT

**LAURA H.E. KAAKUA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty-Second State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Thirty-Second State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Geothermal Royalties Dispositions and Status of Geothermal and Cable System Development Fiscal Year 2023 report, as required by Sections 182-18 and 196D-11, Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2024/EN24-Geothermal-Report-FY23.pdf>

Sincerely,

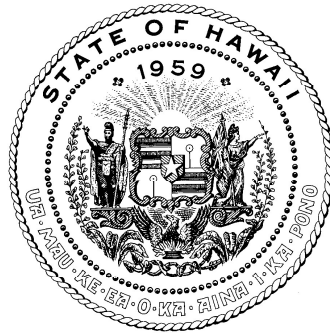
A handwritten signature in black ink, appearing to read "Dawn N.S. Chang".

**DAWN N.S. CHANG**  
Chairperson

Enclosure

Report to the Thirty-Second Legislature  
2024 Regular Session

**GEOHERMAL ROYALTIES DISPOSITIONS  
and  
STATUS OF GEOHERMAL AND CABLE SYSTEM DEVELOPMENT  
FISCAL YEAR 2023**



Prepared by the

Department of Land and Natural Resources  
State of Hawaii

In response to  
Sections 182-18 and 196D-11, Hawaii Revised Statutes

November 2023

**GEOTHERMAL ROYALTIES DISPOSITIONS  
and  
STATUS OF GEOTHERMAL AND CABLE SYSTEM DEVELOPMENT  
FISCAL YEAR 2023**

This report is prepared pursuant to Sections 182-18 and 196D-11, Hawaii Revised Statutes, and covers the period from July 1, 2022 through June 30, 2023.

The Department of Land and Natural Resources is responsible for the effective management of geothermal resources and its development, to protect the health and safety of the public and to ensure the continued viability of the resource for the future. Currently, the Island of Hawaii is the only island benefiting from geothermal development. Power generation from geothermal energy began in May 1993 and, on average, annually provided more than 25% of the Island’s power demands. Currently power generation is ramping back up to reaccommodate those demands.

**Section 182-18, HRS – Geothermal Royalties**

During Fiscal Year (FY) 2023, Puna Geothermal Venture (PGV) continued to work to restore electrical production after a long hiatus due to the 2018 eruption along the Kilauea East Rift Zone (KERZ). Existing geothermal wells were modified, and new wells were drilled to restore electrical production. PGV also began updating its power plant infrastructure by replacing older power generation equipment with more efficient units and refurbishing electrical substations with the goal of increased efficiency and clean energy production to meet its allowed energy production limits.

In FY 2023, total geothermal royalties were received in the amount of \$2,536,465.66. Statutory distributions during this period were made as follows:

|                            |                      |
|----------------------------|----------------------|
| State of Hawaii            | \$1,268,232.83 (50%) |
| County of Hawaii           | \$ 760,939.70 (30%)  |
| Office of Hawaiian Affairs | \$ 507,293.13 (20%)  |

**Issued Permit(s)**

2 (two) permits were granted to drill new geothermal wells.

| <b>Well Number</b> | <b>Well Type</b> | <b>Permit Type</b> | <b>Date Permit Granted</b> |
|--------------------|------------------|--------------------|----------------------------|
| KS-21              | Development      | Drill              | 10/27/22                   |
| KS-22              | Geothermal       | Drill              | 3/6/23                     |

**Section 196D-11, HRS - Geothermal and Cable System Development**

No program work was performed during the FY to effectuate the intent of this statute regarding an interisland deep water electrical transmission cable system.