

Fairfax A. Reilly
468 Ahakea Street
P. O. Box 630111
Lanai City, HI 96763
Email: reillyp41@yahoo.com

Allen G. Kam, Esq., AICP
HIREP EIS Manager
State Energy Office, Renewable Energy Branch
Department of Business, Economic Development and Tourism
P.O. Box 2359
Honolulu, Hawaii 96804

February 5, 2011

Re: Public Scoping Meeting Regarding the Hawai'i Interisland Renewable Energy Program, Lana'i, February 5, 2011

Mr. Kam and representatives of the U. S. Department of Energy: Thank you for this opportunity to present my perspective relating to the proposed the Hawai'i Renewable Energy Program.

I have resided on Lana'i for thirty-two years. I am the owner of a small residence. I recently retired from Lanai High and Elementary School where I served as a school counselor for thirty-one years.

I cannot support the proposal and the alternatives as presented in the Federal Register of December 14, 2010, Vol. 75, No. 279. The elements of the Hawai'i Wind EIS as proposed are deficient in several aspects in my opinion.

Please clearly describe how any potential mitigation offered might achieve a fair and equitable determination resulting from this massive and expensive statewide project in every aspect described below. I find that this project will have significant impacts to the extent that no compensation is truly available to permit the project to move to development.

In accordance with HAR § 11-200-12, the proposing agencies must consider:

- Every phase of the proposed action,
- the expected consequences,
- both primary (direct) and
- secondary (indirect), and
- the cumulative as well as
- the short-term and
- long-term effects of the action,
- in order to determine whether the proposed action may have
- a significant effect on the environment.

- In making this determination, the proposed action has been
- evaluated with respect to the significance criteria established in HAR § 11-200-12.

Pursuant to HAR § 11-200-12, the determination of whether an action would have a significant impact on the environment should be based on

- an evaluation of the expected consequences of the proposed action,
- including the cumulative and
- overall effects,
- using the significance criteria.

Each of these significance criteria is presented below and is discussed in the context of the proposed project. HAR § 11-200-12 Subparagraph B states that

- “in most instances, an action shall be determined to have a significant effect on the environment if it”:
- Involves an irrevocable commitment to loss or destruction of any natural or cultural resource;
 - Curtails the range of beneficial uses of the environment;
 - Conflicts with the state’s long-term environmental policies or goals and guidelines as expressed in Chapter 344, HRS, and any revision thereof and amendments thereto, court decisions, or executive orders;
 - Substantially affects the economic and social welfare of the community or state;
 - Substantially affects public health;
 - Involves substantial secondary impacts such as population changes or effects on public facilities;
 - Involves a substantial degradation of environmental quality;
 - Is individually limited but cumulatively has considerable effect upon the environment or
 - involves a commitment for larger actions;
 - Substantially affects a rare, threatened, or endangered species, or its habitat;
 - Detrimentally affects air or water quality or ambient noise levels;
 - Affects or is likely to suffer damage by being located in an environmentally
 - sensitive area such as a flood plain, tsunami zone, beach, erosion-prone area,
 - geologically hazardous land, estuary, fresh water, or coastal waters;
 - Substantially affects scenic vistas and viewplanes identified in county or state plans or studies; or
 - Requires substantial energy consumption.

I encourage the Department of Energy and State of Hawai'i to expand

- the analysis of impacts especially regarding the irreversible and irretrievable commitments and losses of resources and
- the transparency of the capitalization and recovery of costs for revenues and profits to all parties.

Without explicit and transparent detailed analysis of the components of such an expensive super-project available to all taxpayers and ratepayers in Hawai'i none of us can gain a clear understanding our commitments and benefits.

I acknowledge the need for Hawai'i, the nation and the world to reduce our use of fossil fuel products. I acknowledge the recent surge in the price of oil resulting from the instability and anxiety of the recent events in Egypt and the Middle East.

My point is that the proposed Interisland Wind Project is not the best use of federal and state taxpayer and ratepayer funds to achieve the goals of the Hawai'i Clean Energy Initiative in my opinion. Unless the EIS provides details and transparency of the flow of funds and benefits to corporate and private organizations none of us can determine if our dollars are well spent to our mutual benefit.

From the perspective of a Lana'i resident the proposed project of cables and a land-based industrial power complex would result in irreversible and irretrievable losses. For me personally my sense is one of invasion, a desecration and a resource extraction for profit while providing no benefit but an actual taking for the benefit of the greater population with little understanding and feeling for what Lana'i represents to me...us.

The fundamental documents of the State of Hawai'i, County of Maui and Lana'i Community Plan establish a strong commitment to protection of culture and environment. The corporate and political leaders wish to diminish the priority of these commitments when applied to Lana'i.

Historically and currently Lana'i is unique especially in terms of land tenure. Castle and Cooke, Inc. and its affiliates own 98% of the island. Residents relate to the island as a whole entity. Access to the land and the ocean is incorporated into our identity. The owner retains rights of use of property. Within the framework of law others retain rights also.

Lana'i residents need Lana'i for sustenance physically and spiritually. Lana'i is a resource not only to Lana'ians, but also to citizens of the state and the world. Lana'i really is a treasure not to be "used up" casually.

The EIS must fully analyze the losses of the intangible assets and provide clear value to these losses that are lost forever once the proposed projects are developed...irreversibly and irretrievably.

The proposed projects are major industrial complexes. The construction of such major plants and infrastructure requires extensive use of land and land-based construction. The proposed area is not a wilderness, a "nothing out there" place. Portraying the land as of no value is very convenient. Not true.

The roles of the Department of Energy, State of Hawai'i, Castle and Cooke, Inc., Hawaiian Electric Co. and political leaders is to overcome all obstacles to make this project happen. It feels as if I am confronted with the Steeler's front line.

President Eisenhower warned against the military-industrial complex. The political-corporate-utility complex with plenty of clout and funds confronts me. Example: Currently [SB 367 Senate Draft 1](#) before the State Legislature,

“Allows for the utility company to collect surcharges from its ratepayers to recover the costs of the cable installation on behalf of the cable company. Exempts the surcharges from being counted as gross income, adjusted gross income, or taxable income for tax purposes. Provides for the eventual acquisition of the cable system by the utility company from the cable company. Allows the utility company to recover the costs of acquiring the cable system and developing the on island infrastructure through an automatic rate adjustment clause and then through its rates. Allows the utility to recover the costs of predevelopment and development in the event that the system is not completed. (Proposed SD1)”

The taxpayers and ratepayers will be paying for this entire project in the approximate sums of \$5 billion - \$15 billion over the life of the projects. We pay for everything including ensuring the projects are profitable to shareholders of the corporations.

My point is that since taxpayers and ratepayers will pay for every project we deserve an expanded transparency of the business plans of all parts of these projects. In addition please include the following in conducting the EIS:

1. Compensation-Liability Fund: The Federal and State regulators must establish a fund similar to the fund established for the BP disaster in the Gulf to permit individuals to file for recovery of tangible and intangible losses. Creating the fund in advance with appropriate administrative oversight will ensure that all contingencies resulting from the projects are provided to all individuals suffering losses.
2. Participation Fund: The fund provides individuals with the ability to fully participate immediately in decisions related to these projects.
3. Lana'i Residents as Legal Stakeholders: Law that acknowledges residents as legal participants with status to be full parties to agreements and decisions related to these projects establishes a legal mechanism.
4. Legally Binding Agreements: Whether the projects are developed or not developed, law provides for clear and legally binding agreements for residents.
5. Funding for Impacts of Construction: Experience informs us that large construction projects place enormous stress on the Lana'i community especially on State and County services along with social services. Lana'i has no capacity to provide a wide variety of services.
6. Decision Maps: Multiple federal, state and county regulatory agencies will have roles governing permits resulting from law and ordinance. Residents need clear maps and timelines to fully participate in the decisions of regulatory and legislative decisions.
7. Ethics Review: Clear discussion of the ethics of individuals who have been employed by corporations with interests in the projects. Provide a barrier to the barriers to the activities of lobbyists and regulators.
8. Alternatives: I support alternatives that would permit each island to develop the renewable energy resources unique to each island. I acknowledge that O'ahu is the major consumer of electrical energy. I believe if residents of O'ahu have a stake in tackling the issue from an O'ahu perspective the solutions will be found to be economically viable I do not believe investing billions of taxpayer and ratepayer dollars for the proposed project is the best use.

My personal vision for the future of Lana'i over the next twenty years is to restore Lana'i as a cultural heritage community showcasing to the world an entire island of Hawai'i nurtured to display the historic values of the air, land, ocean. I believe this is a sustainable model for this community.

Cordially,

Fairfax A. Reilly