

Hawaii Energy Forum Meeting

Minutes

Hawai'i Energy Forum

December 09, 2002

Attendance

Forum members: Steve Alber, Bruce Anderson, Albert Chee, John Crouch, Steve Golden, Hideto Kono, Jeff Mikulina, Hermina Morita, Brenner Munger, Richard Paglinawan, Scott Seu, Murray Towill, David Waller, Mike Yamane, Michael Hamnett, Sharon Miyashiro, John Harrison, Sam Pintz, Regina Gregory, Christy Alarcon, Irene Takata, Robbie Alm, Catherine Awakuni

Guests:

Jeff Brown, Adam Bien, Kang Wu, John Shimabukuro

I. Hydrocarbons Study Presentation

Jeff Brown of FACTS, Inc., the consulting firm commissioned to conduct the hydrocarbons study, presented a preliminary report (powerpoint presentation was distributed and is also to be placed on our website).

Discussion:

The pros and cons of a possible future with liquified natural gas (LNG) were discussed. It was noted that there is no strategic reserve for LNG like there is for petroleum, and its supply is no more politically certain than the supply of oil. Special facilities are required to transport and store LNG at very low temperatures. There are also safety and economic issues. LNG contracts are for much longer terms, compared to oil on spot contracts, but it is thought to be economically competitive with piped gas. It is probably not feasible for neighbor islands.

Oil price fluctuations were discussed as well as local production of petroleum products such as gasoline, jet fuel, and residual fuel.

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It was noted that current and possible future environmental regulations also need to be considered.

II. Forum Business

A. Studies

Apart from the hydrocarbons study by FACTS, Inc., we have commissioned Charles Feinstein for the study of environmental considerations. A Request for Proposals has been issued for the study on regulation, taxation and incentives.

Additional funding is being sought for the renewables study and the efficiency study. For the social and cultural study, we might consider forming a focus group instead of hiring a consultant.

FACTS, Inc. is expected to present a final report in January. Charles Feinstein's report may be ready at the end of February, and the regulatory study hopefully by the end of April. The Summit date will need to be moved back to August so we should begin planning by mid-year.

Another study on energy security was suggested.

B. Members

Mike Yamane, Manager of Strategic Planning, Kauai Island Utility Cooperative, was welcomed as a new Forum member replacing Alton Miyamoto.

We will be inviting representative(s) from the new administration and Legislature to become members of the Forum. Members were encouraged to think about suggestions for new Forum members.

C. Website

The website (<http://hawaiienergypolicy.hawaii.edu>) is up and running. We will continue to post information on the site. Should anyone have information to be posted, please email them to Regina Gregory at hoonanea@aol.com.

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D. Next meeting

The Forum will meet again in January 2003 to hear the presentation of the final report from FACTS. (Note: The meeting has been scheduled for January 17 at 10am - 1pm at the Pacific Club. Please mark your calendars and particularly the place change).