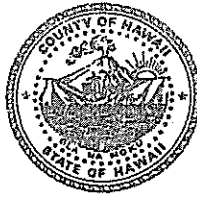


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii
PLANNING DEPARTMENT
101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-3043
(808) 961-8288 • Fax (808) 961-8742

October 15, 2003

Mr. Warren H.W. Lee, President
Hawaii Electric Light Company, Inc.
P.O. Box 1027
Hilo, Hawaii 96721-1027

Dear Mr. Lee:

Special Management Area Use Permit Assessment Application (SMAA 03-44)
Special Management Area Minor Permit No. 143
Applicant: Hawaii Electric Light Company, Inc. (HELCO)
Request: Extend Shipman Units 3 & 4 Common Exhaust Stack Height 12
feet and Remove Shipman Unit 1 Exhaust Stack
Tax Map Key: 2-1-001:024, Waiakea, South Hilo, Hawaii

By this letter we are transmitting the referenced SMA Minor Permit No. 143 and determination of exemption from the definition of "development" under Planning Commission Rule 9 as itemized below.

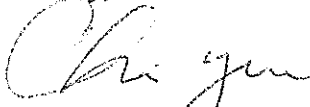
1. Pursuant to Rule 9-4(10)B(vii) the demolition or removal of structures, except those located on any historic site as designated in national or state registers or those listed in the Historic Sites Element of the General Plan is exempt from the definition of "development." Therefore, the demolition of the existing 70' tall exhaust stack servicing the retired Shipman Unit 1 is exempt from review under the requirements of the SMA.
2. Pursuant to Rule 9-4(10)B(vi) the repair, maintenance, or interior alterations to existing structures or relating to existing uses is exempt from the definition of "development." Therefore, the sandblasting and painting of the existing exhaust stack servicing Shipman Units 3 & 4 is not subject to any further review under the requirements of the SMA.

Mr. Warren H.W. Lee, President
Hawaii Electric Light Company, Inc.
October 15, 2003
Page 2

3. SMA Minor Permit No. 143 is approved for the installation and related improvements of a 12' tall extension to the existing 71' tall exhaust stack servicing Shipman Units 3 & 4.

We appreciate your patience and cooperation in providing the additional information requested that was necessary for us to properly evaluate your request. Should you have questions, please feel free to contact Larry Brown or Esther Imamura of this department at 961-8288.

Sincerely,



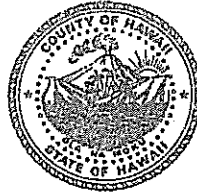
CHRISTOPHER J. YUEN
Planning Director

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Enclosures - SMM No. 143
Department of Public Works September 23, 2003 Memo

xc w/encls: Long Range Planning - Ms. Susan Gagorik
Planning - Mr. Norman Hayashi

Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

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Special Management Area Minor Permit No. 143

Project: Shipman Power Plant Units No. 3 & 4 Stack Extension
Applicant: Hawaii Electric Light Company, Inc. (HELCO)
Land Owner: Hawaii Electric Light Company, Inc. (HELCO)
Location: Waiakea, South Hilo, Hawaii
TMK: (3) 2-1-001:024 **Land Area:** 52,239 square feet

Applicant's Request

1. Project Description:

- A. The applicant proposes to install an extension (7' 0" diameter x 12' 0" long) to the existing approximately 71' tall exhaust stack servicing Shipman Units 3 & 4;
- B. Removal of the existing approximately 70' tall exhaust stack servicing Shipman Unit 1; and
- C. Sandblasting and painting of the existing exhaust stack and proposed extension servicing Shipman Units 3 & 4.

2. Purpose of Project:

The Shipman electrical generating facility began operation with the commissioning of Shipman Unit 1 in 1943 and expanded to the addition of Units 2, 3 & 4 in 1952, 1955 and 1958, respectively. The conditions of the Hawaii Department of Health Covered Resource Permit, under which the Shipman plant presently operates, restricts operation of the power plant to fourteen hours per day. Under the permit conditions, HELCO will be allowed to operate the plant at its rated capacity for 24 hours per day with the installation of the 12' stack extension.

3. Project Valuation: \$65,000.00

4. Determination:

According to Chapter 205A-22, HRS, and Planning Commission Rule No. 9-4(10)(A)(v) relating to the Special Management Area, the construction, reconstruction, or alteration of the size of any structure is defined as "development." Therefore, the proposed installation of a 12' extension and related improvements to the 71' tall existing exhaust stack for Shipman Units 3 & 4 requires a SMA Minor Permit.

State and County Plans

1. **State Land Use District:** The subject property is designated Urban by the State Land Use Commission.
2. **General Plan:** The Hawaii County General Plan Land Use Pattern Allocation Guide (LUPAG) Map designates the project site for Open uses, which allows for parks and historic sites.
3. **Hilo Community Development Plan (CDP):** The Hilo CDP identifies the subject property as an existing non-conforming industrial use that should remain so designated. The Hilo CDP was adopted by Planning Commission Resolution in 1975.
4. **County Zoning:** The subject property is zoned Open (O) by the County. Utility facilities, including power plants, are not a permitted use in the O district. However, the subject facility is "non-conforming" as to use and has been in continuous operation since 1943.
5. **Special Management Area:** The subject property is located in the SMA.
6. **Flood Zone:** The Flood Insurance Rate Map (FIRM) designation for the project site is "VE", which is subject to tsunami or coastal flood hazards.

Compliance with Objectives and Policies of Chapter 205A, Hawaii Revised Statutes (HRS), Regarding the Special Management Area

The project site is not a shoreline property. Therefore, the proposed improvements will not affect the recreational resources available to the public.

Some impact to the coastal ecosystem may result from increased discharges of fresh water into the on-site injection wells. Compliance with and regulation by the applicant's UIC permit ensures that the proposed improvement is consistent with the policies of Chapter 205A for coastal ecosystems.

There may be some visual impact from the increased height of the one remaining exhaust stack. However, the surrounding 104-110 foot tall Norfolk pine trees and earth-tone coloring of the remaining exhaust stack and its 12' extension will effectively mitigate visual impacts from some view planes.

Construction and demolition activities are expected to last approximately one week and will occur during normal working hours only. The environmental impacts resulting from additional emissions due to the increased hours of operation are unavoidable and within the perimeters of the current Covered Source Permit (CSP), National Pollutant Discharge Elimination System (NPDES) Permit and Underground Injection Control (UIC) Permit, as issued by the Department of Health. Mitigative measures limiting the airborne transport of dust, sand and paint off the project site are being imposed as a condition of approval of the SMA Minor Permit.

The proposed 12' exhaust stack extension shall be constructed and installed in accordance with DPW requirements designated for an electrical power plant situated in the "VE" flood zone.

Check all objectives and policies found to be consistent with proposed development. Issuance of SMA Minor Permit requires that activity be consistent with all objectives & policies.

The proposed development is consistent with the following objectives and policies:

- ☒ Development will not have any significant adverse environmental or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety, or compelling public interest. Such adverse effect shall include, but not be limited to, the potential cumulative impact of individual developments, each one of which taken in itself might not have a substantial adverse effect and the elimination of planning options.
- ☒ The proposed development is consistent with the Hawaii County General Plan and the Zoning Code.
- ☒ The proposed development does not conflict with the following objectives of Chapter 205A, HRS, to:
 - ☒ Provide coastal recreational opportunities accessible to the public.
 - ☒ Protect, preserve, and where desirable, restore those natural and man-made historic and pre-historic resources in the coastal zone management area that are significant in Hawaiian and American history and culture.
 - ☒ Protect, preserve, and where desirable, restore or improve the quality of coastal scenic and open space resources.
 - ☒ Protect valuable coastal ecosystems from disruption and minimize adverse impacts on all coastal ecosystems.
 - ☒ Provide public or private facilities and improvements important to the State's economy in suitable locations.
 - ☒ Reduce hazard to life and property from tsunami, storm waves, stream flooding, erosion, subsidence and pollution.
 - ☒ Improve the development review process, communication, and public participation in the management of coastal resources and hazards.
 - ☒ Stimulate public awareness, education, and participation in coastal management.
 - ☒ Protect beaches for public use and recreation.
 - ☒ Promote the protection, use, and development of marine and coastal resources to assure their sustainability.
- ☒ The proposed development is consistent with the following policies of Chapter 205A, HRS, relating to:
 - ☒ Recreational Resources
 - ☒ Historic Resources
 - ☒ Scenic and Open Space Resources
 - ☒ Coastal Ecosystems

- ☒ Economic Uses
- ☒ Coastal Hazards
- ☒ Managing Development
- ☒ Public Participation
- ☒ Beach Protection
- ☒ Marine Resources
- ☒ The proposed development conforms to the requirements of Chapter 343, HRS, Environmental Impact Statements.

Findings

As discussed above, the proposed development will not have any significant adverse environmental or ecological effect, except as such adverse effect is minimized to the extent practicable and clearly outweighed by public health, safety, or compelling public interest.

The proposed development is consistent with the Hawaii County General Plan and Zoning Code.

The proposed development is consistent with the objectives, policies, and SMA guidelines of Chapter 205A, HRS.

The estimated project cost of approximately \$65,000 is not in excess of \$125,000.

Upon review of the subject application by the Department of Public Works – Engineering Division, the project is in compliance with Chapter 27, Flood Control, of the Hawaii County Code.

Pursuant to Planning Commission Rule Section 9-10(E), **Special Management Area Minor Permit No. 143** is hereby approved to allow the construction of a 12-foot extension to the existing exhaust stack servicing Shipman Units 3 & 4 and related improvements, subject to the applicant's compliance with the conditions of approval as specified below.

Conditions of Approval

The Planning Director has approved **SMA Minor Permit No. 143** subject to the following conditions:

1. The applicant, its successors or assigns shall be responsible for complying with all stated conditions of approval.
2. The applicant shall indemnify and hold the County of Hawaii harmless from and against any loss, liability, claim or demand for the property damage, personal injury or death arising out of any act or omission of the applicant, its successors or assigns, officers, employees, contractors and agents under this permit or relating to or connected with the approval of this permit.

3. Applicant shall secure Plan Approval from the Planning Department for the proposed development only to ensure that the proposed extension to the exhaust stack does not exceed twelve (12) feet.
4. All construction and demolition activities in connection with this project shall be completed within one (1) year from the date of approval of this permit. The applicant shall immediately notify the Planning Department, in writing, upon the completion of the construction/demolition activities.
5. Should any unidentified sites or remains such as artifacts, shell, bone, or charcoal deposits, human burials, rock or coral alignments, pavings, or wall be encountered, work in the immediate area shall cease and the Planning Director shall be immediately notified. Subsequent work shall proceed upon an archaeological clearance from the Planning Director when he finds that sufficient mitigative measures have been taken.
6. The applicant shall comply with all applicable requirements of the Federal Environmental Protection Agency, State of Hawaii-Department of Health and the Hawaii County-Department of Public Works and applicable requirements of other affected agencies.
7. Suitable mitigative measures shall be employed to prevent the airborne transport of dust, sand and paint spray from the project site to neighboring properties, automobiles and pedestrians. The applicant shall secure written approval of the proposed mitigative measures from the Planning Department prior to commencing any construction or demolition activities on the subject property.
8. An extension of time for the performance of the conditions contained herein may be granted by the Planning Director upon the following circumstances:
 - a) The non-performance is the result of conditions that could not have been foreseen or are beyond the control of the applicant, successors or assigns, and that are not the result of their fault or negligence;
 - b) Granting of the time extension would not be contrary to the original reasons for the granting of the permit; and
 - c) The time extension granted shall be for a period of not to exceed the period originally granted for performance (i.e., a condition to be performed within one year may be extended up to one additional year).
9. Should any of the conditions not be met or substantially complied with in a timely fashion, the Planning Director shall initiate procedures to revoke the permit.

APPROVED:


CHRISTOPHER J. YUEN
Planning Director

10/15/03
Date