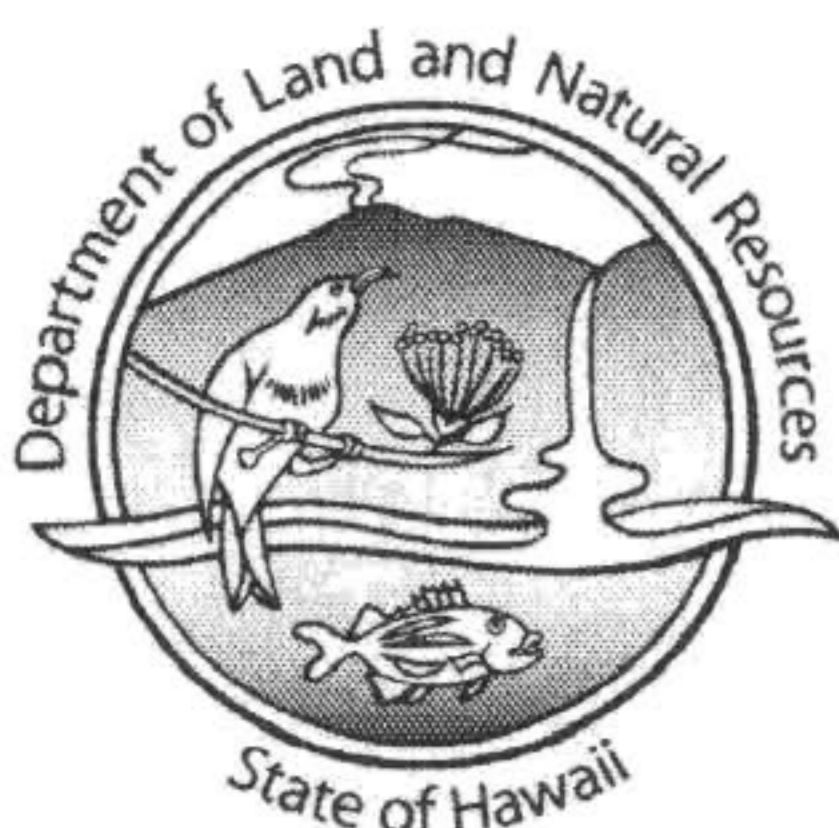


DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

JAN 28 2015

CARTY S. CHANG
ACTING CHAIRPERSON
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LAND
STATE PARKS

Robert Petricci
Puna Pono Alliance
P.O. Box 492668
Kea'au, Hawaii 96749

Mr. Petricci:

Puna Geothermal Venture (PGV)

In response to your letter dated January 20, 2015, requesting the Department require PGV to show cause why its permit to drill well KS-16 should not be revoked, we offer the following comments:

First and foremost, the bulk of your inquiry deals with a County of Hawaii ordinance, which is enforced at the county level, as such we defer to the appropriate authority to interpret their own rules (in this case it's the County of Hawaii Planning Department).

Since the Department has a vested interest in this project, we have conducted our own inquiry both with PGV and with the County of Hawaii. Both parties are in agreement that Hawaii County Ordinance No. 12-151 does not apply to this particular project. When Bill 292 was passed, the Council was clear that it was both their intent and understanding that the bill's restrictions would not apply to activities that were already allowed under an existing Geothermal Resource Permit.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Chang".

CARTY S. CHANG
Acting Chairperson

c: Mike Kaleikini, PGV
Duane Kanuha, County of Hawaii, Planning Department