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Green Power Company Seeks to Bring Biomass Back to Kaua'i

Leaders of a Mainland company are seeking to use some existing equipment at the old McBryde Sugar Company Koloa mill site (owned by officials with Grove Farm) to help develop a renewable-energy source to sell to leaders with the Kaua'i Island Utility Cooperative.

According to KIUC management, the utility's monthly rates are the highest in the state in part because of their significant dependence on oil-based products to generate electricity. Milan Kluko, president of Fountainhead Engineering Ltd., thinks he has a viable solution that will be mutually beneficial. He is in discussions with both officials with Grove Farm and KIUC.

"We know we can generate power cheaper (than KIUC is doing now," he said. Kluko's plans call for using biomass as an alternative energy source. Biomass is plant matter such as trees, grasses, agricultural crops (including sugar cane) or other biological material. It can be used as a solid fuel, or converted into liquid or gaseous forms, for the production of electric power, heat, chemicals, or fuels, Kluko explained.

Using one boiler, Kluko said the facility could generate 7.5 megawatt hours. According to Kluko, another boiler would be added to double the output. Kluko met with KIUC officials a couple of weeks ago. He said he hopes to have a proposal ready for KIUC possibly by next month.

KIUC President and Chief Executive Officer H.A. "Dutch" Achenbach said the cooperative leaders have to take a wait-and-see stance on such proposals. "Since the price of oil has gone up, a lot of folks have come out of the woodwork," Achenbach said. "There are all sort of things to look at here. We have to make sure it works."

Kluko is also angling to handle the county's solid waste, which would then be incinerated. Hypothetically, if and when all logistical and feasibility issues are settled both with Grove Farm and KIUC officials, the parties could then enter into a power-purchase agreement, wherein those with Kluko's entity would agree to provide a certain amount of firm power, and KIUC leaders would determine how much they would pay for such power.

Some leaders at Kluko's company work as consulting engineers and feasibility experts for Environmental Forest Solutions, a company whose officials already operate a biomass wood waste-to-energy plant in Eagar, Ariz., and sells power to officials with a New Mexico utility company. Kluko has been in negotiations with Grove Farm officials about using the Koloa facility, specifically its turbine generators. Kluko said boilers would be brought in, as well as other equipment as needed. Though studies are not yet complete, Kluko said the entire project could cost anywhere from \$15 million to \$20 million.

Cooperative officials currently charge consumers (members) 29 cents per kilowatt hour, the highest rate in the state. Kluko said that, tentatively, the estimate charge to KIUC leaders to buy power from officials at Environmental Forest Solutions would be 14 cents to 16 cents per kilowatt hour.

Kluko said the plan calls for 6,000 acres to be utilized for the growth of biomass. He said he did not know at this juncture what would be planted. KIUC leaders said they have more than met a state mandate requiring operators of utilities in Hawai'i to create more electricity from renewable-energy sources, according to KIUC's Joe McCawley.

KIUC officials have reached a 13.2-per-cent "renewable-portfolio standard" as of 2004, he said. Under the state law to encourage leaders of utilities to become less dependent on oil for electrical generation, operators of utilities are to reach a 15-per-cent mark by 2015, and a 20-percent mark by 2020.

Source: By Andy Gross, The Garden Island, 9/11/2005.

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