

HAWAIIAN HOMES COMMISSION
Minutes of July 30, 2015
Public Hearing on the Proposed Kahikinui Wind Energy Project
Held in Paukūkalo, Maui

Pursuant to proper call, the Public Hearing of the Hawaiian Homes Commission was held at the Paukūkalo Community Center, 657 Kaunuali‘i Street, Wailuku, Maui, beginning at 10:01 a.m.

PRESENT Jobie M. K. Masagatani, Chairperson
Doreen N. Canto, Commissioner, Maui
Michael P. Kahikina, Commissioner, O‘ahu
William K. Richardson, Commissioner, O‘ahu
Renwick V. I. Tassill, Commissioner, O‘ahu
Kathleen P. Chin, Commissioner, Kaua‘i

EXCUSED Gene Ross K. Davis, Commissioner, Moloka‘i
Wallace A. Ishibashi, Commissioner, East Hawai‘i
David B. Ka‘apu, Commissioner, West Hawai‘i

STAFF Julie-Ann Cachola, Planner, Planning Office
Allen Yanos, Property Development Analyst, Income Property Branch
N. Ulu Lota, HHL Legislative Analyst, Planning Office
Shelly Carreira, HHL Land Agent, Land Management Branch
John Peiper, Enforcement Officer, Office of the Chairman
Paul Suyat, Enforcement Officer, Office of the Chairman
Paula Aila, Hale Manager, Office of the Chairman
Mona Kapaku, Homestead District Operation Manager, Maui
Jane Gordon, Homestead Assistant, Maui Office
Maria Ornellas, Homestead Assistant, Maui Office
Ku‘uwehi Hiraishi, Info. Specialist, Information & Community Relations Office
Leah Burrows-Nuuanu, Secretary to the Commission, Office of the Chairman

AGENDA Chairperson Masagatani sought approval of the agenda, noting that the hearing is for public testimony only; no decisions will be made. The Commission will listen only and will not engage in discussions at the table. The Commission will return to Maui in November for its regular meeting when the item will be up for decision making.

Commissioner Canto moved, seconded by Commissioner Kahikina, to approve the agenda. Motion carried unanimously.

Chairperson Masagatani explained that the Commission is holding this Public Hearing to hear comments from beneficiaries and the general public on NextEra’s proposal to develop a wind energy project on Hawaiian Home Lands at Kahikinui. The hearing will begin with a short presentation that provides background information and an outline of NextEra’s proposal which is under consideration by the Commission. Following the presentation, staff will go through the written questions submitted on the yellow question sheets. If we are not able to respond to your question today, we will post the responses to all questions on

DHHL's website. After the question and answer session, the floor will be open to hear testimonies.

Chairperson Masagatani explained that the Commission will be taking written and/or oral testimonies. People who want to testify need to sign up. She asked testifiers to limit their oral testimonies to 3 minutes. People who testified last night can sign up to testify again, however testimonies will be taken first from those who did not testify in last night's hearing.

A. PROPOSED KAHIKINUI WIND ENERGY PROJECT

Presentation of proposed wind energy project on Hawaiian Home Lands at Kahikinui, Maui, to be developed by Boulevard Associates, a Delaware LLC an affiliate of NextEra Inc., and proposed lease of Hawaiian Home Lands to Boulevard Associates, a Delaware LLC an affiliate of NextEra Inc. for the project.

Chairperson Masagatani introduced DHHL Planner Julie-Ann Cachola and Property Development Analyst Allen Yanos who provided the following presentation.

Note: Each attendee was provided with a copy of the presentation.

A. Yanos introduced Anthony Pedroni, Director of Business Development NextEra Energy Resources, LLC.,

A. Yanos presented the Summary portion of the presentation and introduced DHHL energy consultant, Dr. Karl Stahlkopf of SPS Energy & Financial, LLC.

Summary: The Kahikinui Wind Energy Project

- Does NOT depend on an undersea cable to O'ahu
- Does NOT depend on the NextEra-HECO merger
- Brings the greatest amount of money to DHHL, at the earliest possible date
- Provides significant community benefits as well as long-term cash stream to DHHL for its beneficiaries
- Has a high probability of success; it does not rely on 3rd party financing

What's Next

- HHC Discussion with Counsel on proprietary elements of the proposal in August, 2015.
- Beneficiary Consultation and Public Hearing Report submitted to HHC in September 2015.
- Decision on whether or not to proceed with ROE and General Lease in November 2015.

J. Cachola addressed questions submitted by members of the audience.

1. How much of the 60 megawatts will be transferred to O'ahu? Will the energy produced in Kahikinui go to other communities?

Answer: (Doug McLeod, NextEra Maui-based project development consultant)

None of the energy produced will be transferred to O'ahu. The energy will be used for other communities on Maui.

2. Where is the demand coming from?

Answer: (Doug McLeod) It's an island demand figure. There will be a need for it by the time the wind farm comes online. The utility has plans for more wind power on Maui. Right now, the Public Utilities Commission hasn't approved those plans but they believe all of the wind can be used here on the island of Maui.

3. If the decision-making meeting is being pushed back to November, does that mean the comment period will be extended?

Answer: (Julie Ann Cachola) Yes, the deadline has been extended to August 21st. All of the comments will be compiled into a report which will be presented to the Commission at its September meeting.

4. Will there be job opportunities for Maui people?

Answer: (Doug McLeod) If the question is referring to construction jobs, the answer is, Yes. The company is not making any promises as to the number of jobs, but Kahikinui is a rugged place and it would make sense to use local labor.

5. Why do you have to build the windmills on the makai (ocean-side) side of the road where it might cause more sediment to go into the ocean?

Answer: (Doug McLeod) The wind resource is better as you go closer to the shoreline. Also, in our discussions with Ka 'Ohana o Kahikinui, we realized that the footprint would be a greater visual impact to them.

6. Where will the money be spent? Will it stay in the Kahikinui community or go to the general fund?

Answer: (Chairperson Masagatani) Generally speaking, our income-producing projects generate resources for the trust. Allocation of those funds are determined based on the priorities and needs of all the beneficiaries. The Community Benefits Package would be specifically for the impacted community which in this case would be Kahikinui.

7. Are any federal permits required for this project?

Answer: (Doug McLeod) There needs to be an avian (bird) study and most wind farms get a federal permit from the Fish and Wildlife Service related to birds.

B. PUBLIC TESTIMONY ON THE PROPOSED KAHIKINUI WIND ENERGY PROJECT

1. Mr. Kaniloa Kamaunu

K. Kamaunu was concerned about the cost of infrastructure. It is already known that MECo (Maui Electric Company) can't take the energy that Auwahi and Kaheawa is producing. The windmills lose 8% of the energy it produces because MECO needs to upgrade their infrastructure. Regular users are going to foot the bill, everyone will end up paying in the end. The impact will be to existing MECO customers. He apologized to the families of Kahikinui, but said they knew exactly what they were getting involved with when they signed up for the lots.

2. **Mr. Harry Brown**

H. Brown stated he is a beneficiary and recently moved back to Maui after being away from Maui for 46 years. One of the main reasons he moved back was because he was living in Kahuku, Oahu, less than a mile from the windmills. He was surrounded by the windmills. As a comparison, \$6M over 20 years is not a lot of money. He wanted to know how much NextEra is going to make over 20 years. He thanked them for their offer, but they have to pay more. The Kahuku windmills generated no benefits for consumers and their bills went higher and higher. He moved away because his son cannot sleep. The windmills affect people with disabilities, now his son sleeps; now he can sleep. People say there is no test; the tests take a long time. He states there are side effects—people with disabilities are very sensitive. He is worried it's going to affect other disabled kids. He doesn't feel good about the project.

The ratio of benefits to Hawaiian people versus what NextEra gets, is not right. The people should get a lot more money. He had reservations and asked the HHC to make the right decision. He is just one person but he is important and asked that they don't let his voice be cast to the wind. He spoke with deep concern and reservation. He believed more money is needed so more Hawaiians can benefit.

3. **Mr. Kaui Kahaiali'i**

K. Kahaiali'i stated he is a beneficiary living in Waiehu Kou 2. He is opposed to the project for all the reasons and everything already said. There is no transparency and they don't know whether all beneficiaries will benefit. Corporations come in with good intentions, but when contracts are cast in blood, we always lose. He asked if the company can commit that after the 20 year lease, the windmills will come down and no other industrial uses will not come in. He asked if anyone can promise that more windmills will not come.

He stated 500 acres at 1 acre per person is 500 displaced kanaka. If they are ½ acre lots, they displaced 1000 kanaka. If they are ¼ acre lots, they displaced 2,000 kanaka. He stated no one wants 2,000 kanaka at Kahikinui but the point is HHC is quick to make decisions on behalf of corporations. The Hawaiian Homes Commission Act passed almost 100 years ago and only 10,000 of 40,000 beneficiaries are on homesteads. Beneficiaries have been waiting too long. It's time to start to thinking about the lāhui, not the corporations. He apologized to the Kahikinui families but he speaks for all Hawaiians, not just himself. If someone came his house, he would feed the whole family, not just one or some of them.

4. **Mr. Basil Oshiro**

B. Oshiro stated he is not a beneficiary but speaks from the heart for people of Hawaii. He asked if the project is just about money. Hawaii is looking for 100% freedom from fossil fuels. Hawaii doesn't want to be dependent on oil and the big corporations see that they can make money here. Hawaii is not for sale.

The information says there is an excellent wind source at Kahikinui. The salt wind is an excellent wind source the goes up mauka several miles. In Paukūkalo it took less than 3 months to kill the alarm system because the salt air got into the system. South Point is the same thing; salt got in and it was sad that no one was there to take care of the clean-up. He wondered if the company be here 20 years from now—so the people of Hawaii

won't be holding the bill to clean-up. There needs to be a guarantee. Resources are limited in our islands.

Kahikinui is pristine. Generations from now, no one will know the pristine value of the area. He attended the first meeting wherethey said there was a surplus of power so they were going give to O'ahu. He opposed the project because it is not fool proof, MECO already has a surplus so how does it really benefit the people.

The HHC is going take all these comments and make the decision. That's wrong. The people should make the decision. Nine people deciding for 150,000 people is wrong.

5. **Ms. Carol Lee Kamekona**

C. Kamekona (see written submittal) has been an applicant since 1999; in 2008 her Dad signed an Undivided Interest lease. Her dad passed away with no land, no house, no legacy for his 'ohana. He means no disrespect to Ka 'Ohana o Kahikinui who put blood and sweat into the land. She is not against development or against progress. She is against the continued oppression of our Hawaiian people.

The policy of the HHC is to enable native Hawaiians to return to their lands in order to fully support self-sufficiency and self-determination and the preservation of values, traditions, and culture of native Hawaiians. In 2007, Act 212 established the Aha Moku System and in 2012, Act 288 established the Aha Moku Advisory Committee. This is the State of Hawaii's recognition of generational knowledge from kupuna on traditional farming, fishing, agriculture and land use methodology based on the ahupua'a system. The lands under consideration for this proposal is Hawaiian Home Lands, not Kahikinui home lands. She proposed that the HHC: 1. Convene a beneficiary consultation with all Maui beneficiaries on this issue; 2. ensure a seat on the negotiation table for the Aha Moku Council; 3. Keep within legislative budget and stop spending trust money on operational costs.

With over 8,800 applicants on the Maui wait list alone and over 43,000 applicants on the waitlist statewide, it would behoove DHHL to focus on fulfilling the policy of the Act. To entertain the idea of using trust lands for non-beneficiary use to generate money is a lame excuse. You have money, for instance, NAHASDA has \$44M. It's not doing anything for anyone just sitting there. Spend that money, put our people on the land. We need to protect, preserve, and cherish the undeveloped land to let future generations develop it as they see fit.

6. **Mr. Kaiawe Davidson**

K. Davidson stated he is a graduate of the Hawaiian immersion program and represents his family and father, Kawika Davidson, who is a lessee at Kahikinui and has been there from the beginning. He has been involved in planting, fencing, and helps to manage the 4,500-acre forest. Their concern is that after hundreds hours of research on studies conducted around the world on the effect of windmills on the human body, we have found that people living in close proximity to wind turbines experience: short terms effects, including: nausea, anxiety, insomnia, depression, cardiac problems, memory dysfunction, blood pressure elevations, chronic sleep deprivation, panic, and vertigo spells. He is not sure about the long term effects. The mechanism for causing the adverse effect on the human body are the artificial electromagnetic fields generated by

the megawatt generators on the top of the turbines and the sonic waves created by the blades. This is well documented online, under topics like “The Effect of Wind Mills on Human Health.” These are their concerns about health risks for the homesteaders living in close proximity.

As a kanaka maoli, it destroys the nature and life source of the land. Once gone, it can never be restored. The destroying and taking over the lands must en. This is sacred and precious lands that people have been farming and fishing from generation to generation. Commissioners are responsible for the life of the land and the life and care for the people. His family will not support this project because there no righteousness in destroying the land.

7. Mr. Chad Newman

C. Newman stated he is a member of Ka ‘Ohana o Kahikinui. He talked about his mother growing up in Pelekunu Valley in Moloka‘i. She taught them basic protocols—for example, bringing makana for people there. The first thing they would do is clean up the area before they picked limu. When they went mauka, they would plant and clean. These are practices his mother taught them. She told them to watch carefully where you step and watch your effect on other beings. Never take roots. It was the beginning of his understanding of haloa.

In 1993, they were contacted about land opening up at Kahikinui—it was a pilot project. They witnessed the overgrazing of the mauka area. They started a newsletter to inform lessees. As they started to work with one another they quickly learned that they could either help each other or they could fight each other.

In a symbiotic relationship—there is a host. This is different from parasitism where –one species just drains the resource of the other. The world of flora and fauna. People relate to relationships differently, they have different relationships with humans. Humans cannot live without symbiosis. Symbiosis is connected, because our presence was crucial as protectors of the land because land was being used by ranchers for over 100 years. The grazing area used to be forest. They wanted to save the last bit of the native forest so today they have groups that are working to save the upper area. The whole upper area is being protected to ensure that the native forest continues. There are thousands of historic sites that they would like to restore. They support this project as an alternative form of energy.

8. Ms. Ellie Marshman Castillo

E. Castillio stated she is testifying in the capacity of secretary of the Aha Moku of Wailuku and as a concerned citizen. In a General Meeting of the Wailuku Moku on July 10, 2015, a motion was ratified to address concerns raised by the NextEra and DHHL Public hearings stemming from the lack of consultation with the Aha Moku o Maui, heirs and assigns of Land Commission Awardees. DHHL is authorized by federal mandate of the Hawaiian Homes Commission Act, however, there are no circumstances by which the Department may negotiate the proposal with NextEra without compromising the intent of the Hawaiian Homes Act. To continue public hearings without meaningful consultation, segregating communities, under the misguided belief that residents of DHHL at Kahikinui are the only parties with standing and the Aha Moku o Maui has no interest, is fruitless. Therefore, the Wailuku Moku objects to the arrangement promoted by DHHL,

the State of Hawaii and NextEra. There will be no support provided for the advancement of this or similar ideas and projects without the inclusion of a consultative process by the Wailuku Moku.

9. Ms. Jody Allione

J. Allione shared her story as a development consultant for NextEra and what they've been doing with Kahikinui. She was brought in 3 years ago with the concept of doing a wind project, to see if it could work and if it would be okay with the community. They had a lot of meetings. The bottom line is that there's a lot of unoccupied lots. But they can't move on lots without infrastructure. The Community Benefits Package will provide a means to accomplish this. The community needs roads and water. The community association put a list together of what they wanted, including: a share of interim funding, road construction to existing lots, water to existing lots, electricity, first choice for jobs, help to set themselves up as an eco-tourism venture, annual percentage of profit sharing, guaranteed removal plan at the end of the term, site planning for schools, community center, security presence for the community. They cannot do all of it, but with assistance of HHC, they can do a lot of it. They propose a 3-way partnership starting now till when the turbines come down.

10. Ms. Noelani Aquino

N. Aquino stated she is an applicant and has been on the list since she was 18 years old. She just got off the plane from Moku o Keawe. She is here to share that the people of the Big Island hear about what's happening on Maui and there is a connection between Maunakea and Haleakala. I come here not with a written speech, just with Ke Akua. She hopes that the favor he has put on this island be taken to heart. She hopes that whatever happens is God's will.

11. Mr. Angus Peters

A. Peters stated he respects his mother's wishes, but one cannot stop progress. For him, there are more important things than the windmills. HHC needs to look into the future. HHC should look at grave yards. No matter where you're from, beneficiaries should be able to be buried on the Island.

12. Mr. Mo Moler

M. Moler stated he sees a lot of opposition at today's meeting. He has been involved in everything involving planning, implementation and development at Kahikinui, but he has had very little involvement in this project. Yet, this project will have the greatest impact on them as beneficiaries. He acknowledges that NextEra was responsive to their recommendations to move the turbines from the west to the east end of the parcel. But they were not responsive to the 'Ohana's suggestion to move the turbines mauka of the road, which would facilitate running electric lines to service all homestead lots, for free. The 'Ohana is convinced that NextEra will do everything within their power to accommodate their needs. There are still things that need to be done, including: a walk through the land to see detailed plans for the development of the system, and the need to negotiate benefits package with hopes that it will be robust. They need further studies on their health, the 'āina, and on the pristine and undeveloped landscape. If they can't come to an agreement on a win-win situation, then he wants to go on record that NextEra, the DHHL and staff are running us through a system of deception once again.

13. Mr. Brian Nae‘ole

B. Nae‘ole thanked the Commission for the opportunity to address this Commission for the second time. He was here last night and hand-delivered his DNA to the Chairman. In the history of the Kahikinui lands, one will find Land Commission Award Number 7713 which belongs to Victoria Kamamalu. She is his lineal descendant on his mother’s side. Victoria Kamamalu still owns the property located in the Kona portion of this ahupua‘a. He is educated about who he is and where he came from. He understands why it is important to recognize this discussion. He found out that they are not getting anything for the Victoria Kamamalu lands. He is also a lineal descendent to the ‘Auwahi Wind farm via Princess Ruth Ke‘elikolani. They (Brian Nae‘ole Na‘auao, Stephen Na‘auao, Jr. and Florence Lani Pi‘ena Kuhaulua) have come forward to assert their claims. They found their DNA and know how important it is.

People from outside of Hawai‘i are taking all of the revenue. When they asserted their claims, they got pulled to the side. He has diligently worked with the relevant agencies (State of Hawai‘i, DHHL, OHA and DLNR). These outside companies are going to make all this money. He gave DHHL his DNA and has been disrespected. He gave u my DNA, but I haven’t got one single response from any agency.

This is business as usual and he is tired of it. He wants to live happy and work together, but this is not a “working together” process, this is a land grab situation.

Hawai‘i is not part of the United States of America, but no one is addressing that issue. This is being fast tracked and they are being ignored. They have no choice but to sue like everyone else. They know their rights. He comes from 2 famous lines: his grandfather, was Chief Nae‘ole, who took care of Kamehameha I. The other is Alapa‘i Nui Kawawa Mahi from Kahikinui. These people come from the na‘au (core) of the area.

First and foremost HHC has to work on giving the community the opportunity to pursue their claims. Hawai‘i was illegally overthrown.

14. Ms. Blossom Feiteira

B. Feiteira thanked the Commission for the opportunity to testify in support of the proposal. Kahikinui has been here for 1,000 years, then we experienced over 150 years of ranching that denuded the environment. This moku is the only moku that is part of DHHL. This is not public land, this is HHLs. Ka ‘Ohana has taken the responsibility of caring for this place. She can go anywhere to pick ‘opihi, but the only way she can pick ‘opihi at Kahikinui is if the ‘Ohana gets enough funding to manage their land-based projects. DHHL has had this for many years. People think it’s open to the public, where anyone can do anything. It’s not. It’s for native Hawaiian benefit. For 20 years KOK has taken up the mantle. She doesn’t agree with windmills being there because it is beautiful. But as a beneficiary, her kuleana is not to look at her personal needs; but to look out for the needs of the community at Kahikinui. She can go fishing anywhere but what she can’t do is live at Kahikinui the way her ancestors did unless the ‘ohana can make this place a viable place for all Hawaiians. She requests that the Commission bring the ‘hana to the ‘Ohana to the table and keep them there because they have a lot of work to do. The primary purpose of the Act is for native Hawaiians to return to the land and in this case, it’s Ka ‘Ohana o Kahikinui.

15. Mr. Ke‘eaumoku Kapu

K. Kapu stated he brought his granddaughter to this Commission because she has the right numbers. She is truly a beneficiary. He is still waiting for a lease. He suggests the start of a sperm bank for Hawaiians. Kanaka today are no different from other people in Hawai‘i, we are struggling. But kanaka are supposed to have benefits.

16. Mr. Kua Moler

K. Moler stated he grew up in Kahikinui. Over years he witnessed change which started with roads and then every lot got phone lines. They were involved and saw it happen. The next development was the road being paved which was 10-12 years ago. They haven’t seen anything happen since except for the windmills at Auwahi. People are saying it’s a done deal. It is sad that the Hawaiian Homes Commission didn’t involve the community.

17. Mr. Dick Mayer

D. Mayer urged the Commission to request that applications have criteria as to what to include in the proposal. For instance, they should have a battery storage and the power line route and alternatives be identified clearly. They should apply an inflation figure to the power purchase agreement. They need to do the environmental compliance—Chapter 343 full disclosure of impacts and mitigation of those impacts. He suggested that HHC also include enforcement measures. Who will enforce the mitigation efforts, break down the windmills, maintain the windmills. He urged HHC to get the parent company, NextEra, to sign off on the contract, not the paper company. They should identify the power utility at that time, leave it generally defined because MECO may be changing. He also suggested including the PUC as a signature on the contract.

18. Ms. Kehau Filimoeatu

K. Filimoeatu stated true testimony needs a tongue to utter. She introduced herself and her ancestral lines. She was on waitlist for a decade without access. She went back to see when the Kahikinui project got approval. There was an agenda dated May 23 at Waiohuli, and another on Nov 12, 2014, with a selection of 2 proposals.

Then received a letter dated Nov 25, 2014, as the President of Na Po‘e Kokua. It said DHHL regrets that their proposal was not selected. She doesn’t trust the timeline, or the process. It needs to be paused or ignored. She just spent a week with faith based organizations.

Upon arrival at last night’s meeting she could see that there was acquiescence to a dominant narrative. She thought it would be before an unbiased body. She was disappointed for being sucked into a process. The Commission insults the community with timelines and throws pennies at them so they can find their way home. Your beneficiaries, your people know where we belong, we have nowhere else to go. She still loves everyone.

19. Mr. Walter Ritte

W. Ritte stated he is from Moloka‘i- and they had a similar process on Moloka‘i many years ago, we’re talking huge development, lots of windmills, cables, etc. and today there are no windmills on Moloka‘i. The key word is process. When you pick opihi, you can

either come home with lots of good stuff or come home with nothing and die. Also, in Hawaiian communities, process is key. They don't trust the process. You have to figure out how to get out of your box. He hopes the HHC broadens the table, spend the money upfront to talk with a lot of people. You have people that support and people that don't support. You need to find out where the common ground is. Figure out how to come out of the box...figure out how you can come to some kind of agreement

Chair Masagatani thanked everyone for taking the time to attend and share their mana'o. She invited the community to submit written testimony online or in person with the staff at the doors. The decision making will occur at the November meeting here on Maui.


ADJOURNMENT

The hearing was adjourned at 12:31 pm.

ANNOUNCEMENTS

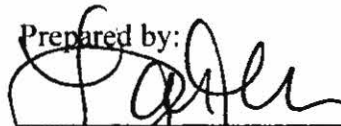
The next regular meeting will be held in Lahaina on August 17 & 18, 2015.

Respectfully submitted:



Jobie M. K. Masagatani, Chairperson
Hawaiian Homes Commission


Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission

APPROVED BY:

The Hawaiian Homes Commission
At Its Regular Monthly Meeting On
Tuesday, November 17, 2015



Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission