

HAWAIIAN HOMES COMMISSION

Public Hearings on the Proposed Kahikinui Wind Project

**Paukukalo Community Center
Wailuku, Maui**

Wednesday, July 29, 2015 • 6:30 pm - 8:30 pm

Thursday, July 30, 2015 • 10:00 am - 12 noon

Hawaiian Homes Commission

Public Hearing

July 29 and July 30, 2015

Agenda

- I. Roll Call**
- II. Approval of Agenda**
- III. Format and Ground Rules**
- IV. How to Submit Comments**
- V. Presentation on the Proposed Kahikinui
Wind Energy Project**
- VI. Public Testimony**
- VII. Announcements and Adjournment**

Format and Ground Rules

1. Presentation of the Proposal

2. Answer Top Questions

- Turn in written questions (yellow half-sheet)
- See DHHL website for full list of questions and answers

3. Receive Testimony

- Sign up to testify (till 8:30 pm)
- Please limit oral testimony to 3 minutes

How to Submit Testimony

- Oral testimonies at this public hearing
- Written comments may be handed in at this public hearing or mailed to:
DHHL Planning Office
P. O. Box 1879
Honolulu, HI 96805
- Online through our website at dhhl.hawaii.gov
- Email at dhhl.planning@hawaii.gov

**Please submit your comments by
Friday, August 21, 2015**

Presentation on the Proposed Kahikinui Wind Project



Chronology of Events—Wind Project

Jan 13, 2013	HHC authorizes direct negotiations with potential renewable energy developers on Island of Maui
Jan 18, 2013	Legal notice requesting letters of interest to develop renewable energy projects at Kahikinui, Pulehunui, and Honokowai
Jan 31-Feb 4, 2013	Meetings held with Maui homestead leaders
Feb. 1, 2013	11 Letters of Interest to develop solar, wind, and biofuel/biomass projects submitted for Kahikinui; 4 were wind projects
Mar 20-21, 2013	HHC holds 2 Public Hearings on the development of renewable energy projects at Kahikinui, Pulehunui, and Honokowai. Attendees did not support development at Pulehunui and Honokowai but were open to options at Kahikinui as long as it directly benefitted Kahikinui lessees.

Chronology of Events (continued)

July 12, 2013	Public Utilities Commission (PUC) issues orders delaying HECO's issuance of RFPs for renewable energy; uncertainty delays selection of developers
Nov 12, 2014	Kahikinui wind proposals evaluated by staff and energy consultants—2 proposals were selected for further negotiations.
Jan 16, 2015	NextEra selected as the finalist for direct negotiations on the wind project
May 23, 2015	Beneficiary Consultation with Kahikinui community
July 13, 2015	Informational meeting for Maui beneficiaries to prepare for Public Hearings

Timeline going Forward

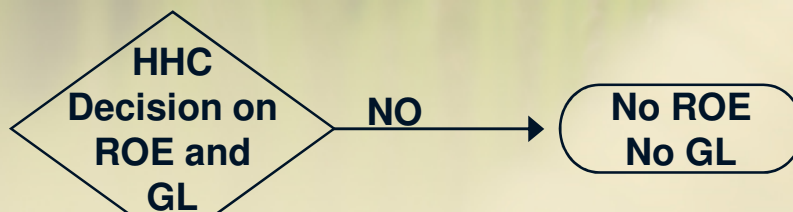
8

WHO

WHAT

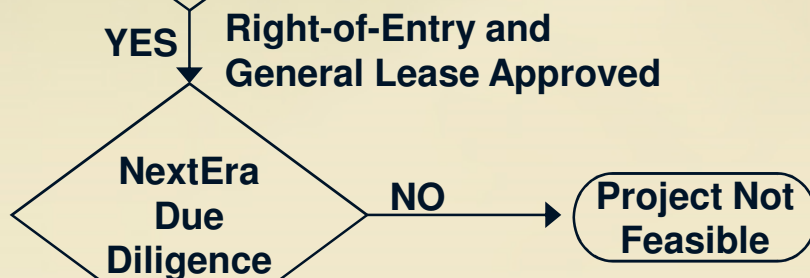
WHEN

HHC

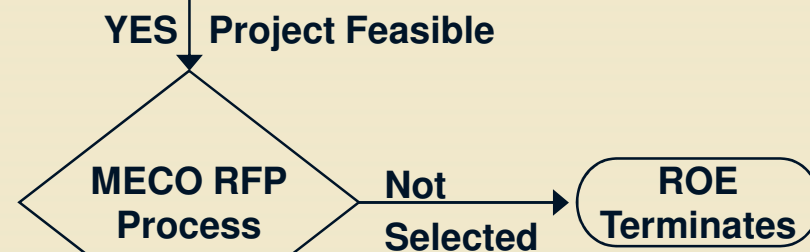


2015

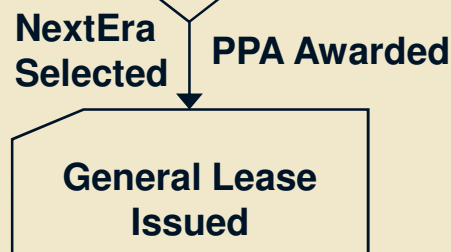
NextEra



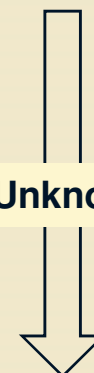
MECO



2020



Unknown



Why is DHHL supporting development of a wind energy project at Kahikinui?

- ✓ **Excellent wind resource**
- ✓ **Provides a revenue stream for the Hawaiian Home Lands Trust**
- ✓ **Develops a renewable energy resource for Maui County**
- ✓ **Provides a financial resource for the impacted community at Kahikinui**

Why is DHHL supporting NextEra to develop a wind energy project at Kahikinui?

- ✓ **Best offer in terms of Lease Rent**
- ✓ **Best offer of Community Benefits**
- ✓ **Project is NOT dependent on the undersea cable**
- ✓ **Project will produce up to 60MW which will be used to meet Maui Island demand**
- ✓ **Company was responsive to community recommendations to move turbines out of their view, to the Southeast side**

Outline of Proposal

***Presented by Mr. Anthony Pedroni
Director, Business Development
NextEra Energy Resources, LLC***

WHO:

- **Boulevard Associates, a Delaware LLC, an affiliate of NextEra Energy, Inc., a Florida corporation**

Note: NextEra Energy Resources, LLC submitted the original proposal in 2013.

Outline of Proposal (continued)

WHO:

- **NextEra Energy Resources is the largest generator of wind and solar projects in North America.**
- **Projects located in 25 states and Canada.**
- **11,000 MW of wind and 780 MW of solar in operation**

WHAT:

- **Up to 60 MW wind energy project**
- **20 wind turbines, each generating 3MW of energy**

Outline of Proposal (continued)

WHERE:

- Southeastern portion of DHHL's land at Kahikinui (Manawainui ahupua'a)
- 500 acres to be used during construction and as buffer area
- Only 30 acres will ultimately be used for roads and wind turbine pads
- Issues related to water access, impact on homesteaders, as well as engineering viability affect specific siting.

Waiohuli-Keokea

6,000 acres

Kahikinui

23,000 acres

37

Kalama Park Rd

377

Pillani Hwa

1

**Approximate Project
Area Location**



Outline of Proposal (continued)

WHERE:

- **The exact location to be determined following due diligence work, including:**
 - ✓ **Cultural/archaeological studies to identify sensitive areas and sites to avoid**
 - ✓ **Wind analysis**
 - ✓ **Environmental studies**
 - ✓ **Engineering assessment, including geotechnical work to evaluate soil and bedrock conditions**

Outline of Proposal (continued)

HOW:

Note: Some financial information cannot be shared; otherwise, when MECO's RFP is issued, other bidders will have an unfair advantage knowing what NextEra offered DHHL

- Right-of-Entry (ROE) permit and General Lease being negotiated at the same time
- ROE permit at \$175,000/year for 3 years to conduct due diligence work.
 - ✓ 2 one-year options to extend at \$200,000/year

Outline of Proposal (continued)

HOW:

- **General Lease for 20 years, to begin when the wind project can deliver power to the power grid.**
 - ✓ **Option to extend for 5 years at the same lease rent**
 - ✓ **Lease rent will be finalized after a Power Purchase Agreement (PPA) is executed with the utility company**

Outline of Proposal (continued)

HOW:

- **Community benefits package of minimum \$300,000/year**
- **Lease rent and community benefits depends on the price of energy that the utility company buys from wind project**
- **Price of energy and the size of the project is unknown until the utility company selects NextEra's wind project in a competitive process and the PPA is finalized**

Summary

The Kahikinui Wind Energy Project:

- Does NOT depend on an undersea cable to Oahu
- 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**

TOP QUESTIONS

- **From your written questions submitted on yellow sheets**
- **Full list of Questions and Answers will be posted on our website**

INDIVIDUAL TESTIMONIES

- **Sign-in sheet to Testify**
- **As a courtesy to others, please limit oral comments to 3 minutes – there is no limit on written testimonies**
- **Commissioners are here to listen; they will not be responding to your comments**
- **Other ways to comment: online, email, mail**