

#### HAWAIIAN HOME LANDS

Hawaiian Homes Commission Department of Hawaiian Home Lands

# Informational Meeting <a href="Proposed Anahola Solar Project">Proposed Anahola Solar Project</a>

**February 6, 2014** 

### Tonight's Agenda

- I. DHHL Land Use Process
- II. Why is DHHL working with Energy Providers?
- III. What is the plan for the 60 acres?
- **IV. Project Basics**
- V. Responding to prior questions
- VI. What's next?

#### DHHL's Land Use Process

- Land Use Designations (our 'zoning') are identified when Island Plans are developed.
- Land Use Designations are based on a number of land use studies and extensive beneficiary consultation through meetings and a survey of all lessees and applicants.
- The Kaua'i Island Plan was completed in May, 2004.

#### DHHL's Land Use Process

#### **Anahola Land Uses are defined in:**

- -Kaua'i Island Plan, 2004
- -Anahola Town Center Conceptual Land Use Plan, 2009

### What was the original intent for the 60-Acres?

- These lands were identified in the Kauai Island Plan for Commercial/Community Use.
- These lands were further defined in the Anahola Town Center Plan for Homestead Community, Homestead Commercial, and other Commercial use

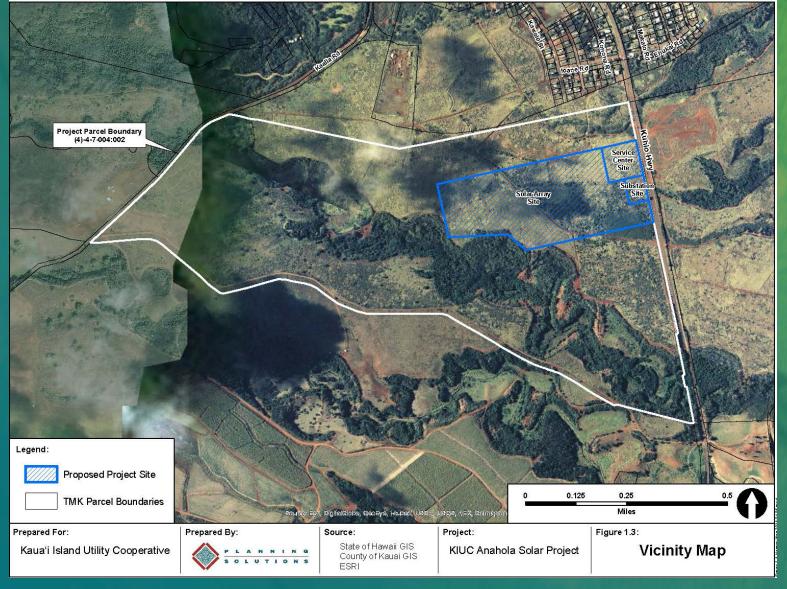
## Why does the Department work with Energy Providers?

- In 2009, the Commission adopted an Energy Policy, which specified--
  - Identify properties that have potential for renewable energy development
  - The Department should pursue the leasing of those identified lands.
- The Department needs the revenue to continue to fulfill the goals of the trust.

# Why does the Department work with Energy Providers?

- On Oahu, 5 MW Sunpower solar farm already in operation, additional parcels under consideration.
- On Maui, interest expressed for wind farm at Kahikinui
- On Hawaii island, exploring potential energy opportunities

### Where is this parcel?



### How did this parcel come to be selected for solar?

- This proposal was brought directly to the Commission for approval in October, 2011.
- A staff review of the Commission approval determined that some of the approved land uses were inconsistent with existing Land Use Designations per the Anahola Town Center Plan and a Land Use Designation amendment was needed.
- In Feb. 2012, the Commission amended the Anahola Town Center Plan to designate 7 acres of commercial use (service center) and 53 acres for Light Industrial use (solar farm)

# Recommendations per Land Use Designation Amendment

- Reconfigure project layout to maximize future commercial use along Kuhio Highway.
- Create mauka to makai transportation corridors.
- Coordinate infrastructure development to support future planned development.
- Secure funds from licensee to plan mauka lands.
- Reserve existing kuleana, irrigation ditches, dams or roads.

#### What's new?

- Since the time a license was issued by the Commission (Oct. 2011), the Department and KIUC have been negotiating the terms of a long-term lease to allow for the financing of the solar farm.
- We recently came to an agreement of the terms and are here to share them with you this evening.

#### **Project Basics**

- Kauai Island Utility Cooperative (KIUC)
   proposes to lease 60 acres of Department of
   Hawaiian Home Lands (DHHL) in Anahola,
   Kauai.
- Kauai Island Utility Cooperative (KIUC)
   proposes to construct a 53-acre Solar Farm,
   a 5-acre future KIUC service center, and an
   electrical substation on 2 acres totaling 60
   acres.

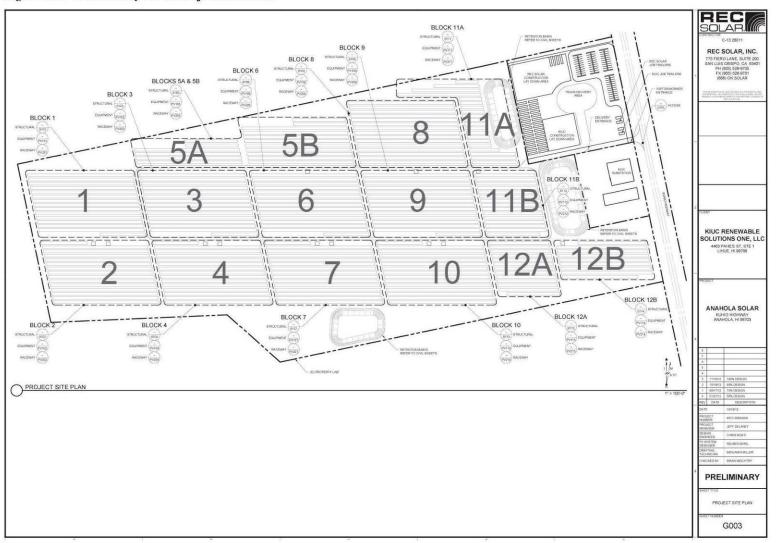
### What does the layout look like?

ANAHOLA SOLAR PROJECT

FINAL ENVIRONMENTAL ASSESSMENT

DESCRIPTION OF THE PROPOSED PROJECT

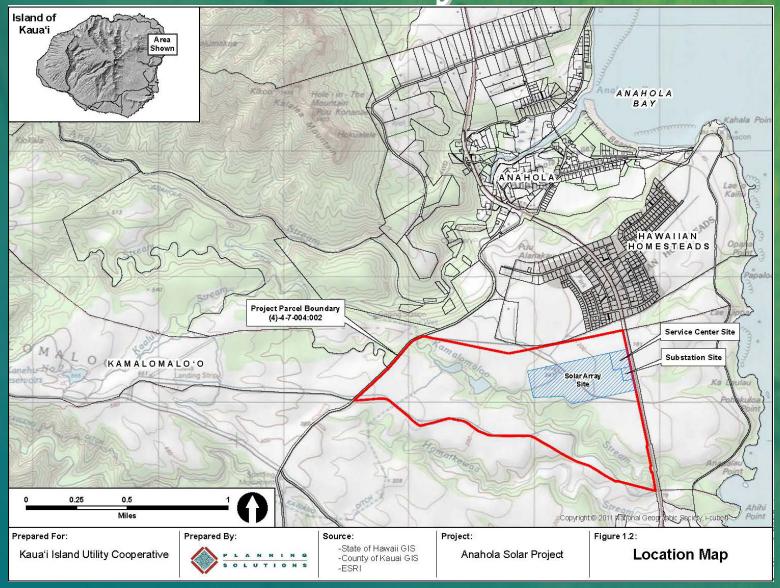
Figure 2.1. Overall Layout of Project Elements.



#### **Project Basics (continued)**

- In addition to the annual ground lease rent, KIUC will provide DHHL with \$1,000,000 for roadwork and facility fund for the Anahola region once the Project is placed into service.
- The department would like to work with the entire Anahola community to identify those critical connections that will enhance access, mobility, and circulation in the community.
- KIUC will also provide access through the leased area for DHHL to access the lands to the Kapaa side (south side)

### **Connectivity Issues**



#### **Project Basics (continued)**

- Within the first 5 years, KIUC has the option to request to extend the lands under the service center an additional 30 years for a total of a 55 year term.
- DHHL has the option to withdraw the lands under the solar farm at the end of Year 25; and have KIUC transfer the solar farm to DHHL.
- At that time,
  - DHHL can initiate negotiation for a new Power Purchase Agreement with KIUC or
  - Possibly convert the solar farm to a Micro-Grid operation to service DHHL beneficiaries in the Anahola region.

### Project Basics (continued)

- KIUC and DHHL agree that at the end of the general lease term, the decommissioning cost shall be transmitted to DHHL as a payment; provided that the decommissioning cost is determined by a mutually agreed third party which shall determine the cost to restore the site to its original condition.
- KIUC agrees to provide programs, incentives, grants, etc. targeting reduction of energy and utility costs that directly benefit the Anahola community.
- KIUC shall maintain the existing infrastructure, including irrigation systems to ensure continued ability to operate these systems. KIUC shall repair, re-route, or replace any systems disturbed by KIUC during construction and throughout the lease term.

 Can the solar arrays be placed on the makai side of the highway?

The Planning Office did not recommend moving the project makai of the highway because the community, per the Anahola Town Plan, wanted that area to be used for recreational parks and open space, with the County coastal bike path improvements to come through this area.

The EA is site specific. A new EA would be required for a new site.

 Another land use amendment process would have to be conducted and approved by the Commission

- Have both the sub-station and building on the mauka side.
  - This is part of the original request to have the service center and sub-station on the mauka side of Kuhio Highway
- Can KIUC run the cables underground?
  - The cables connecting the arrays to the sub-station are underground as we understand, we defer to KIUC for clarity

- Can the current EA can be expanded to the makai side?
  - Going to have to redo the EA.
  - The existing alternatives section has this write up as well that gives 3 reasons for selecting the existing site:

"Preferred Alternative (Anahola). DHHL directed KIUC to the location that is being proposed as it fits well with the Department's plans for its extensive landholdings in the region, and it offered an attractive lease price as well. The location adjacent to Kūhiō Highway simplifies access by customers and employees, and the spot is well placed in relationship to the identified need for additional service infrastructure on the east and north shores of the island and to existing and planned KIUC infrastructure. The site is also adjacent to the existing Anahola water system, making an extension of that system to serve the potable water needs of the service center a relatively simple proposition. The selection of this site also further supports the relationship between KIUC and DHHL as described above.

KIUC assessed numerous locations within the parcel, but ultimately determined the proposed location was best due to the following reasons: (i) placing the facility on the eastern edge of the selected parcel minimized the need for additional access roadways and infrastructure; (ii) the terrain found further west and south on the parcel was steeper and included some natural drainage ways that would obstruct the construction process; and (iii) shifting the service center site farther north within the parcel would place it closer to the residential community in Anahola."

#### What's next?

- Following input and discussion from you this evening, a recommendation will be placed before the Commission on February 18, 2014 whether to authorize a lease with KIUC per the terms we've shared with you on the merits and opportunities of this project.
- Mahalo for your participation this evening!