

**DHHL CONSULTATION WITH KAHIKINUI BENEFICIARIES**  
**PROPOSED KAHIKINUI WIND PROJECT**

Waiohuli Community Center, Kula, Maui  
 Saturday, May 23, 2015 • 1:00 pm–3:00 pm

**AGENDA**

1. Purpose of this meeting
2. Background Information
3. Important Things to Know
4. The Proposed Kahikinui Wind Project
5. Next Steps

**1. PURPOSE OF THIS MEETING**

- Present the major components of the proposed wind project at Kahikinui.
- Get input from Kahikinui beneficiaries on the project.

**2. BACKGROUND INFORMATION**

**A. Why is DHHL supporting the development of a wind energy project at Kahikinui?**

- ✓ Excellent wind resource.
- ✓ The project provides a revenue stream for the Hawaiian Home Lands Trust
- ✓ The project develops an alternative renewable energy resource for Maui County
- ✓ The project provides a financial resource for the impacted community at Kahikinui

**B. What has taken place to-date?**

<b>DATE</b>	<b>PROCESS/DECISION</b>
Jan 13, 2013	HHC authorized direct negotiations with potential renewable energy developers on the Island of Maui.
Jan 18, 2013	DHHL published a Legal Notice to invite interested parties to submit a Letter of Interest to develop renewable energy at Kahikinui, Pulehunui, and/or Honokowai.
Jan 31-Feb 4, 2013	Briefing meetings with homestead leaders
Feb 1, 2013	Eleven (11) proposals, including solar, wind and biofuel projects were submitted for Kahikinui. Out of the eleven (11), four (4) were wind projects.
March 20, 2013 March 21, 2013	Two (2) Public Hearings on Maui in Paukukalo <i>(Beneficiaries did not support renewable energy development at Pulehunui and Honokowai, but were open to options at Kahikinui.)</i>
July 12, 2013	The Public Utility Commission (PUC) issued orders delaying HECO’s issuance of the RFP and also delaying selection of developers for the Maui Renewable Project.
Nov 12, 2014	The four (4) wind proposals were evaluated by staff and energy experts. Two (2) top proposals were selected for further negotiations.
Jan 16, 2015	NextEra selected as the finalist to go into direct negotiations for the wind project.

### 3. IMPORTANT THINGS TO KNOW

- HECO's Request for Proposals (RFP) has been on hold since July, 2013; PUC required changes
- The undersea cable has also been on hold since July 2013 pending the PUC's investigation on whether the cable was in the public interest.
- To be ready to bid when the RFP is issued in the future, NextEra needs to secure the land in advance and perform its due diligence and investigation to confirm that the location selected will produce the energy expected
- NextEra's wind project is NOT dependent on the undersea cable
- For confidentiality purposes, some financial information cannot be shared at this time; otherwise, when HECO's RFP is issued, NextEra's competitors will have the advantage of submitting proposals knowing what NextEra offered DHHL

### 4. THE PROPOSED KAHIKINUI WIND PROJECT

#### A. WHO:

- NextEra Energy Resources, LLC (a subsidiary of NextEra Energy, Inc., a Florida corporation), submitted the proposal
- Actual developer will be Boulevard Associates, a Delaware LLC (an affiliate of NextEra Energy, Inc.)

#### B. WHAT:

- Construction of a proposed 60 MW wind project
- Approximately 20 wind turbines
- Each turbine generates about 3 MW of energy

#### C. WHERE:

- Southeastern portion of DHHL land in Kahikinui region
- Exact location to be determined following NextEra's due diligence and investigation period of three years to perform:
  - Cultural field studies to identify sensitive areas and sites to avoid
  - Environmental studies
  - Wind analysis, including installing on-site monitoring equipment
  - Engineering assessment--drilling to evaluate soil and bedrock conditions

#### D. HOW MUCH LAND NEEDED:

- 500 acres to be used during construction and as buffer area
- About only 30 acres will ultimately be used for roads and turbine pads

#### E. WHEN:

- Due diligence and investigation period begins upon execution of Right-of-Entry (ROE) for three (3) years
- Option to extend ROE for two one-year periods
- ROE to be converted to 20-year General Lease when wind project can deliver power to the power grid
- Option to extend General Lease for another five (5) years

**F. FINANCIAL OFFER:**

- ROE Fee: \$175,000 per year for three (3) years.
- ROE Extension: \$200,000 per year for two (2) one-year extensions, if needed.
- 20-year General Lease; rent is finalized after PPA executed with electric company
- Option to extend General Lease an additional five (5) years, if needed, at same rent
- Community benefits package estimated to be around \$300,000 per year. Amount to be finalized after PPA with electric company is executed.
- Both lease rent figures and community benefits package depend on the price of the energy that the electric company buys from the wind project.
- Price of the energy and the ultimate size of the project are unknown until the electric company selects NextEra's wind project and the PPA is finalized

**5. NEXT STEPS**

- A. May 23: Beneficiary Consultation with Kahikinui beneficiaries
- B. June 23: Beneficiary Consultation comment deadline
- C. End of June: Islandwide Beneficiary Informational Briefing on Maui
- D. July 20: HHC meeting in Kapolei: Accept Beneficiary Consultation Report
- E. End of July: Two (2) Public Hearings and HHC decision-making on Maui

**Submit Questions/Comments to: Julie-Ann Cachola at [julie-ann.cachola@hawaii.gov](mailto:julie-ann.cachola@hawaii.gov) or by mail at: P.O. Box 1879, Honolulu, HI 96805. More information on our website at: [dhlh.hawaii.gov](http://dhlh.hawaii.gov)**

