



DEPARTMENT OF HAWAIIAN HOME LANDS

**Lease Term Extension for
General Lease No. 299,
Kauai Island Utility Cooperative, a Hawaii
cooperative association formed pursuant
to Chapter 421C, Hawaii Revised Statutes**

February 2019 Hawaiian Homes Commission Meeting

Land Management Division

Item F-1

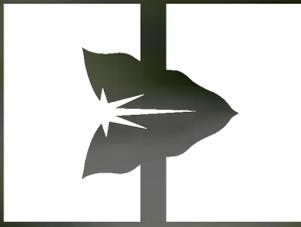


Pertinent Lease Information

➤ Lessee : GL No. 299, Kauai Island Utility Cooperative “KIUC”

About KIUC

- Kauai Island Utility Cooperative formed by group of local businesspeople who purchased Connecticut-based Citizens Communications’ Kauai Electric in November of 2002.
- KIUC is one of approximately 900 electric cooperatives serving electric consumers in 47 states. KIUC operates as a not-for-profit organization that is owned by its members and governed by an elected board of directors.
- KIUC’s location presents some unique challenges that make it different from its sister cooperatives on the mainland. While most co-ops purchase electricity from large coal-fired power plants and huge hydroelectric power stations that can be hundreds of miles away, KIUC must generate all of its power on the island of Kauai. As of 2010, 92 percent of KIUC's power came from generating plants that are powered by imported fossil fuels – which is less efficient and more expensive than mainland power sources available to most co-ops.
- In an effort to reduce its power cost, decrease its use of imported fossil fuels and increase the amount of energy generated from Kauai’s own resources, KIUC has launched a strategic initiative to generate 70 percent of its electricity from renewable sources by 2030. As of the end of 2017, more than 40 percent of KIUC's electricity was generated through renewable sources, namely biomass, hydropower and solar.
- KIUC's Board of Directors has set an aggressive goal of reaching 70 percent renewable generation by 2030. KIUC is confident that it will meet, and perhaps exceed this goal, well before 2030.



Pertinent Lease Information

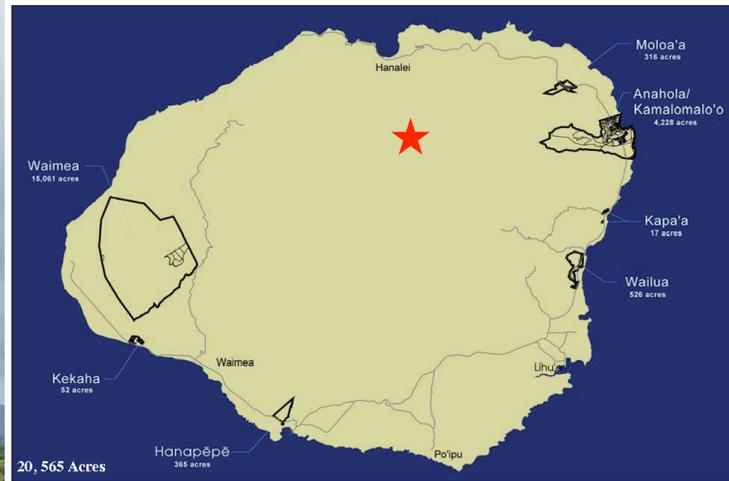
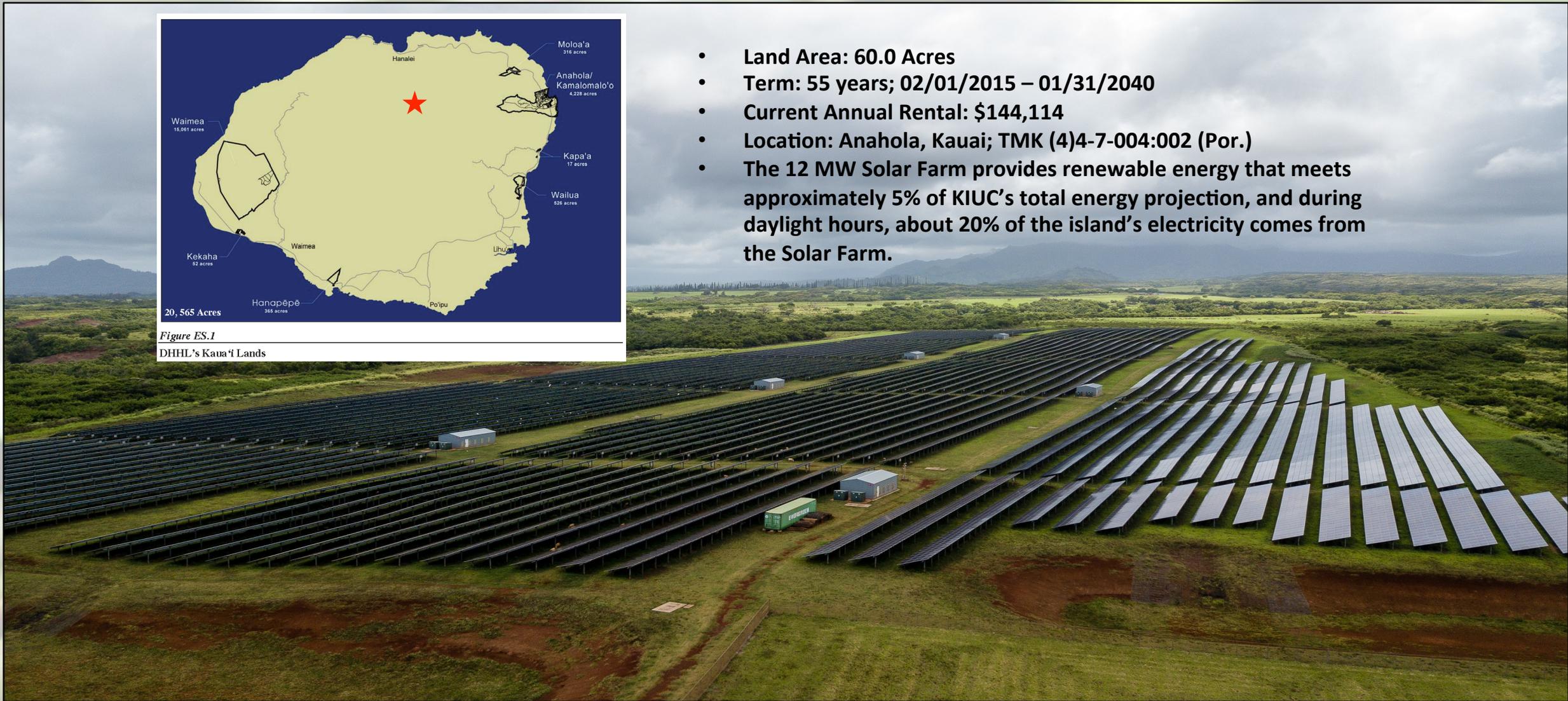
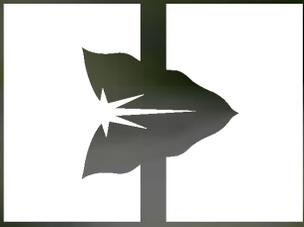


Figure ES.1
DHHL's Kauai Lands

- **Land Area: 60.0 Acres**
- **Term: 55 years; 02/01/2015 – 01/31/2040**
- **Current Annual Rental: \$144,114**
- **Location: Anahola, Kauai; TMK (4)4-7-004:002 (Por.)**
- **The 12 MW Solar Farm provides renewable energy that meets approximately 5% of KIUC's total energy projection, and during daylight hours, about 20% of the island's electricity comes from the Solar Farm.**





Pertinent Lease Information

Article One, Section 2 of GL 299 provides:

The term of this lease may be extended for an additional thirty (30) years (for a total lease term of fifty-five (55) years), provided that (i) LESSEE shall, in writing, request such an extension of the lease not later than five (5) years from the Effective Date; (ii) the request for extended term may be for the areas encompassing the Substation (approximately 2 acres) and/or the Service Center (approximately 5 acres); (iii) any lease extension shall comply with all the terms and requirements set forth in HRS Section 171-36(b), as amended, and be subject to the approval of the Hawaiian Homes Commission.





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