

HAWAIIAN HOMES COMMISSION
Minutes of May 29, 2019
Paukukalo Community Center, Wailuku,

Pursuant to proper call, the Hawaiian Homes Commission Public Hearings on the Proposed Kahikinui Wind Energy Project was held in the Paukukalo Community Center, Wailuku, Maui, Hawai`i, beginning at 6:00 pm.

PRESENT William J. Aila Jr., Chairman
Randy K. Awo, Maui Commissioner
Zachary Z. Helm, Moloka`i Commissioner
Michael P. Kahikina, O`ahu Commissioner
Pauline N. Namu`o, O`ahu Commissioner
Dennis L. Neves, Kaua`i Commissioner

EXCUSED David B. Ka`apu, West Hawai`i Commissioner
Wren Wescoatt, O`ahu Commissioner
Vacant, East Hawai`i Commissioner

COUNSEL Ryan Kanaka`ole, Deputy Attorney General

STAFF Paula Aila, Director of Communications Contract & Awards Division
Kahana Albinio, Acting Land Management Division Administrator
Dean Oshiro, Acting Administrator, Homestead Services Division
Andrew Choy, Acting Manager, Planning Office
Stewart Matsunaga, Acting Land Development Division Administrator
Leah Burrows-Nuuanu Secretary to the Commission
James Du Pont, West Hawai`i District Office Supervisor
Halealoha Ayau, Water Specialist Planning Office
Cedric Duarte, ICRO Officer Information & Community Relations Office
Debra Aliviado, Customer Service Manager
Allen Yanos, Property Development Agent
Gigi Cairel, Grant Specialist Planning Office

ORDER OF BUSINESS

CALL TO ORDER

Chair Aila called the meeting to order at 6:00 p.m.
Six (6) members were present at roll call. The East Hawai`i seat was vacant.

APPROVAL OF AGENDA

MOTION/ACTION

Moved by Commissioner Awo, seconded by Commissioner Helm, to approve the agenda.
Motion carried unanimously.

PROPOSED KAHIKINUI WIND ENERGY PROJECT

Presentation of proposed wind energy project on Hawaiian home lands at Kahikinui, Maui, to be developed by AEP Wind Holdings, LLC, TMK No. (2) 1-9-001:003 (por.)

Planner Planning Office Julie Ann Cachola presented context for the proposed wind energy project on Hawaiian home lands at Kahikinui. She introduced the Managing Director for Renewable Energy American Electric Power (AEP) in San Diego Richard Chandler who presented the project.

J. Cachola stated Kahikinui is the only parcel of land that is the entire moku. Kahikinui is 23,000-acres and 75% of all the lands in Maui is in Kahikinui. Kahikinui is from the summit to the shoreline with eight ahapua`a. Of the eight, seven are within DHHL lands.

Regarding renewable energy resources, she showed a map of Kahikinui with its windpower density showing high windpower density.

There are goals that the Utilities have to achieve. The Legislature set standards that the utilities have to follow for renewable energy. Renewable Portfolio Standards were created which is a mandate for the utilities that a certain amount of their electricity sales have to be from renewable energy sources. In 2010 the goal was 10% renewable energy and O`ahu did not make it. In 2015 the goal was 15% and it changed to 30% by 2020. Governor Ige stated 100% by the year 2045. By 2045 all our energy needs would be met through renewable energy resources. It means buying more renewable energy, looking for more renewable energy and the demand for renewable energy will increase.

The Utilities ask a renewable energy company how much energy can it produce and the Utilities pays the energy company a set amount by contract which is called a Power Purchase Agreement (PPA). A Request for Proposal (RFP) is sent out by the Utilities stating they want to buy energy and how much energy they want. Renewable energy producers need land. DHHL has land that is remote and has renewable energy resource. The renewable energy companies have to demonstrate to HECO a site control, a place to do business. Site control takes a long time and consist of consultations, public hearings and leasing. So, instead of waiting for HECO, the Department put out its own solicitation in December 2018 and the deadline was set for January 2019. There were two parcels and two competitive proposals. Through that process AEP Wind Holdings LLC was at the top, the best proposal.

In March 2019 a Beneficiary Consultation was done with the Kahikinui ohana. In it's April meeting the Beneficiary Consultation Report was presented for the Kahikinui project. After the public hearings the Commission will determine on whether or not to approve the right of entry agreement for due diligence and a general lease. AEP Wind is required to satisfy several conditions before an issuance of a general lease. After the due diligence is done an EIS identifying what impacts the project will have and what measures will be taken.

Kahikinui has wind energy resource, there is ample land and the Kahikinui community supports the project.

Managing Director for Renewable Energy AEP Richard Chandler stated AEP is based out of Columbus, Ohio and is a Fortune 200 Company with 5.4 million customers across 11 States and is worth \$68 billion in assets. AEP recently acquired Sempra's renewable assets with over 700 mega watts of wind projects. He transitioned over to AEP from Sempra with the acquisition.

Kahikinui would be a 30 mega watts wind farm. R. Chandler stated that they need access to the land to learn more about how they can responsibly site a wind farm project and know what technology to utilize. A meteorological tower may be needed to learn how the wind blows and

to conduct environmental and cultural studies and where AEP can responsibly site a wind farm project and the technology to utilize.

The turbines are between 2-5 mega watts in size for each. To build the wind turbines access roads have to be built along with underground electrical cables or collection lines to connect one turbine to the next. An above ground transmission line has to be built to get the power from the wind turbine to the HECO electrical grid. The site is in close proximity to AEP's existing site which already has a 9-mile transmission line that connects to the HECO system. Building the Kahikinui project is in a good position to connect with the already existing infrastructure to get the power to where it needs to go, to sell to HECO under a PPA.

R. Chandler stated they're looking at putting the project on the makai side of Piilani Highway in the Southeastern portion and will need about 300-acres just to look at. For construction there will probably be a temporary impact of 100-acres. When AEP leaves the site and have a permanent footprint from where the turbines are located and the access roads, it is about 50-acres of total permanent impact.

The proposal to DHHL is \$100,000 per year with a 2-year commitment, a total of \$200,000, upon signing the ROE. If the 1-year extension is executed, each 1-year extension would be another \$100,000. In addition, during the lease, if it goes past the ROE, under the terms of the lease, the agreement with DHHL is the greater of \$175,000 per year or 2.5% of the gross revenue produced by the project and will increase over time.

Audience Questions & Answers

Note: The audience speakers did not use the microphone, or identify themselves. The facilitator did not repeat the questions for the recording.

- Q.** Regarding the wind.
- A.** The wind that goes through the turbines are not as strong as it comes out of the back. Kahikinui is in the front end, upstream so the wind would hit the wind turbines first and that could be a differentiator and be even more competitive. It's unknown yet and has to be looked at.
- Q.** Where is the electricity going to be used?
- A.** The power would go into the grid. The HECO owned electrical grid. All the different power plants are putting electricity into the grid and when people turn the lights on to take power, it's not known where the power came from.
- Q.** Does any of the electricity stay in Kahikinui for its residents.
- A.** The power would go to HECO as part of the electrical grid. Kahikinui can draw power from the HECO grid. AEP sends the power on the wholesale level that is sold back to HECO.
- Q.** Kahikinui or any of the lessees are not going to get anything from this except the money that AEP will be providing to build. It is not benefiting the Hawaiians at all. AEP is just using the land to build their wind project and Kahikinui lessees are not getting any credit for electricity at all.

- A.** Chairman Aila stated: 1. There is no grid at Kahikinui now, so no lessees are getting any electricity right now. 2. The community benefits package to the Kahikinui community is for \$50,000 per year for the life of the contract which is 25-years. Also access to the roads.
- Q.** After the 5-years is built out what is the ground lease going to cost and how much will money will DHHL make.
- A.** The ground lease is \$175,000 per year or 2.75% of the sales of the company.
- Q.** How many houses can you build with \$175,000 a year over 25-years?
- A.** Chairman Aila stated it depends on what kind of leases they are. In terms of Kahikinui, which is kuleana lease, infrastructure is minimum, however, infrastructure for something around here is probably \$125,000 per lot.
- The Commission and the Department can only build lots with the amount of money it has and this is one attempt to get additional monies.
- Q.** The EIS has not been done yet and will be done. Is this not putting the cart before the horse.
- A.** J. Cachola stated AEP needs the right of entry to conduct the study so they can identify than assess the impact.
- Q.** Where is it being looked at as far as ahupua`a of Kahikinui. There are eight ahupua`a in Kahikinui, what ahupua`a are actually.....
- A.** J. Cachola stated AEP is not really sure yet where on the makai side. They have to figure out where is the best place.
- Q.** How will cultural sites not be disrupted?
- A.** Chairman Aila stated that is part of the studies and archaeological inventory survey which is part of the environmental assessment.
- Q.** Do you know how much money you're making at Auwahi each year?
- A.** (Indiscernible)
- Q.** What about somewhere comparable in America.
- A.** R. Chandler stated they will have to look what the wind resource is and the construction costs, (indiscernible).
- J. Cachola stated a better bid can be made with better information.

PUBLIC TESTIMONY ON THE PROPOSED KAHIKINUI WIND ENERGY PROJECT

Chapter 92 Formal Process. Public Testimony limited to (3) three minutes per person.

ITEM A-1 Blossom Feiteira

B. Feiteira testified in support of the issuance of the ROE and the conditional approval of a general lease. B. Feiteira serves as the President of the Association of Hawaiians for Homestead Land.

ITEM A-2 Kaleo Cullen

K. Cullen is a lessee and resident of Kahikinui and is testifying in support of the Kahikinui Wind Project and the issuance of a Right of Entry to AEP Wind Holdings Inc.

ITEM A-3 Keahi Bustamente

K. Bustamente testified that wind farms are killing more ope`ape`a and he is definitely not supporting the wind farm.

ITEM A-4 Benjamin Rodrigues

B. Rodrigues testified he lives full-time in Kahikinui with his family and he knows how hard it is to live there. He testified that the ROE is a step forward to get the data because the current data is outdated. He believes they have to try.

ITEM A-5 Kawika Davidson

K. Davidson testified that he is not in favor of the wind mills. To see pristine lands destroyed by wind mills bothers him that it is being done for money.

ITEM A-6 Walter Kanamu

W. Kanamu testified against the wind mills. We either take care of the land or sell her out.

ITEM A-7 Shasta Doleman

S. Doleman testified against the wind mills. It doesn't feel right to her.

ITEM A-8 Keali`i Kaiekala

K. Kaiekala testified against the wind mills.

ITEM A-9 Chad Newman

C. Newman is on the Ka Ohana O Kahikinui Board of the Directors and has been a residence of Kahikinui since May 29, 1999. She testified that she is in support of the proposed Kahikinui Wind Energy Project.

ITEM A-10 Tiare Lawrence

T. Lawrence testified against the wind mills.

ITEM A-11 Kaila`a Aganos

K. Aganos is a beneficiary born and raised in Kahikinui. He testified against the wind mill.

ITEM A-12 Angel Kamaka

A. Kamaka testified in support of the wind mill. The Commission will do what is best for the Hawaiians. If the site is not qualified, it is not. If they do find it littered with archaeological sites, they will go somewhere else. AEP is just asking for the right of entry.

ITEM A-13 Penelope McKenzie

P. McKenzie testified against the wind mill in Kahikinui.

ANNOUNCEMENTS AND ADJOURNMENT

NEXT MEETING – OTHER ANNOUNCEMENTS

ADJOURNED

7:49 PM