

HAWAIIAN HOMES COMMISSION
Minutes of May 30, 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 9:00 a.m.

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 9:15 a.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 ahupua'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 leaseings. 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.** Clarification of the financial aspect. She seen \$35,000 on one of the first slides and R. Chandler mentioned \$100,000 each year for 2 years. Clarify where the \$35,000 is going and the \$100,000.
- A.** R. Chandler stated the \$35,000 for execution of the lease and the second \$35,000 for commercial operation of the project. The \$100,000 to DHHL.
- Q.** Competition (Indiscernible).
- A.** R. Chandler state it will not be smooth sailing. We are one of many projects that will be bid into that solicitation. You don't want to have all solar. Part of the argument AEP has made in prior solicitation is the importance of having diversification of your energy mix.
- Q.** (Indiscernible)
- A.** R.Chandler stated he is on the development side of the shop and does not look at the operational projects so he was unable to answer the question.
- Q.** How many windmills will AEP start to build if you get the proposal.
- A.** R. Chandler stated no more than 15 wind turbines and that would be if we used a 2-mega watt machine.

- Q.** Would you also include evaluating where it would be feasible to do underground utilities from the site of the turbines over to the Auwahi substation.
- A.** R. Chandler stated AEP viewed the transmission line as overhead because burying the cable can be very cost prohibitive.
- Q.** Where is the electricity going to be used?
- A.** 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.** Will the power be sent off island?
- A.** AEP sends the power on the wholesale level that is sold back to HECO.

Chair Aila entertained questions from Commissioners.

Commissioner Awo stated his concern with underground transmission lines is that the potential for disturbing archaeological sites an iwi kupuna is significantly increased. He understands overhead transmission lines is cost prohibitive, but he thinks it is worth the while. He also asked that the developer prioritize using technology that reduces the amount of windmills for the project.

Commissioner Neves asked for the exact size in area needed for the footprint of each turbine. He asked if it would be appropriate to use camouflage paint to reduce the aesthetic look of the windmills.

R. Chandler state the dull light gray all major manufacturers go with that color because it blends better into the sky. Willing to conduct a sound stugy for to determine sound travel in the area. Typical projects don't take more than an acre. As an example five-fifteen turbines would normally take 15 acres. The nine turbines in the Kahikinui area would take 50 acres.

Commissioner Kahikina asked if the company would be will to employ some of the residents. R. Chandler stated their main concern is to choose the right people for the job.

**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 Janice Kekahuna

J. Kekahuna stated the Kahikinui spot where the turbines are slated for is the former home of her kupuna, the Kawahinekoa Ohana. The Kawahinekoas were lookouts to warn the king of enemies coming and how many. She is opposed to the wind project.

ITEM A-2 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. The land is chief, we are its servants. In 1992, the community realized the Kahikinui

forest was in dire straights. They need the resources the windmills will provide to save the forest.

ITEM A-3 Nawai Aipa

N. Aipa testified in opposition of the wind project

ITEM A-4 Napua Hueu

N. Hueu testified as a beneficiary. DHHL shall not be considering any corporation projects until its financial duties to get Hawaiians on the land. Ka Ohana O Kahikinui does not represent every lessee in Kahikinui. Not every lessee in Kahikinui is a part of Ka Ohana O Kahikinui. The last corporate project

ITEM A-5 Kamalani Pahukoa

K. Pahukoa testified that the DHHL right of entry process is fraudulent. K. Pahukoa testified that she opposed the project.

ITEM A-6 Shawn Allison Kanae

S. Kanae testified she is a lessee for agricultural and she does not want a windmill.

ITEM A-7 Faith Chase

F. Chase testified mirrored the previous testifier. She testified against the Kahikinui wind energy project.

ITEM A-8 Alvin Liu

A. Liu testified on behalf of his ohana lands but did not testify of the wind energy.

Chairman Aila closed public testimony.

ADJOURNED

10:40 AM