Beneficiary Consultation Reports on two (2) Proposed Community Based Renewable Energy Solar Project in Kalaoa and Kawaihae

G-5: Kalaoa
G-6: Kawaihae
Beneficiary Consultation Meetings

Kawaihae:
- 187 Kawaihae Lessees
- BC Mtg Dec. 8, 2020—11 lessees, 2 HECO
- BC Mtg July 26, 2021

Kalaoa:
- 975 Lessees and Applicants
- 2 regional plan priority projects
- BC mtg July 13, 2021—introduced selected developer
- 4 lessees
AGENDA and PURPOSE FOR MEETING

Part I: Provide Information

1. Why is DHHL Involved in Renewable Energy?
2. How does DHHL get Involved in Renewable Energy?
3. Overview of the process and approvals; opportunities for beneficiary input
4. HECO’s “Community Based Renewable Energy” program: what it is, how it works, how can the community benefit?

Part II: Presentation by Nexamp

Part III: Discussion

Closing: Next Steps
Why is DHHL Involved in Renewable Energy?

- 2009 DHHL’s Energy Policy: to enable native Hawaiians to lead efforts to achieve energy self-sufficiency and sustainability.
- 2015 State law: requires electric utilities to produce 100% of their electricity from renewable energy sources by the year 2045. This created the need and demand for renewable energy.
- We have needs--Renewable Energy development on HHLs can generate revenue to develop new homesteads and deliver community benefits to the homestead community.
- DHHL Trust lands that have excellent renewable energy resources (Solar, Wind, Hydroelectric resources)
Kawaihae:
--10,150 acres
--Leeward Kohala Mountains
--Sea Level to 4,600 ft.
SOLAR RADIATION
Estimated solar calories per sq. cm. per day
DHHL Kalaoa Lands

- 127 acres
- 25 acres
- 130 acres
- 200 acres

Map showing various land uses and acreages.
DHHL Kalaoa Industrial Lands

PROJECT AREA
100 acres
2009 and 2020 Regional Plan Priority Projects
Renewable Energy Initiative

- To increase energy self-sufficiency within the region.
- To provide benefits to the community.
  a. Benefits from the project that goes to the community
  b. Training and professional development to provide job opportunities for beneficiaries.

Renewable Energy Initiative

Location
Balboa, North Bay
TMI 373010007
10 acres

Status
The Bodega Community Association at the Village of Lake "One has started a resolution supporting DHEC's Renewable Energy Initiative at "One Community Development Corporation project."
DHEC is in the preliminary stage of design, engineering, and permitting.

Potential Partners
DHEC, One Community Development Corporation, FAME, TIDE, TIDE, "One Community Development Corporation, EM Rivers & Sons, FAGE Enterprises, Consultant, WBE Renery &" NKSL.

Phasing
1. Complete Business Plan
2. Secure land lease from DHEC for 30 years
3. Engage in discussion with DHEC for IDECO
4. Obtain entitlements Environmental Impact Statements
5. Complete the Planning and Design Process
6. Right of way - December 2012
8. Produce 13.5 MWh of PV-generated electricity peak by 2017
How Does DHHL Get Involved in Renewable Energy Development?

- Needs to be 100% renewable by 2045
- They buy energy from RE producers
- Process starts with a Request for Proposals
- Competitive Process
- Power Purchase Agreement (PPA)

- Have the technology
- Needs land with the renewable energy resource [DHHL]
- Needs the utility to buy the power they produce [HECO]

- Land/Renewable energy resource:
  - General Lease revenue

- Beneficiaries:
  - Minimize adverse impacts
  - Maximize community benefits
    - Regional Plan Projects
    - Workforce Training
    - Lower electricity bills

HECO
The Utility

RENEWABLE ENERGY PRODUCER

PPA

General Lease

HECO
The Utility

RENEWABLE ENERGY PRODUCER

General Lease

DHHL
Landowner

NEXAMP
HECO’S Community Based Renewable Energy Initiative
Community-Based Renewable Energy (CBRE)

SUBSCRIBER ORGANIZATION/RENEWABLE ENERGY DEVELOPER
--SECURE SITE
--DEVELOP SOLAR PROJECT
--DELIVER RENEWABLE ENERGY TO HECO
--SIGN-UP SUBSCRIBERS (MEMBERS) WHO GET A LOWER ELECTRIC BILL
Part II: Presentation by Nexamp Solar, LLC Kawaihae Community Solar Introduction

Speaker: Julie Beauchemin, Nexamp Director of Business Development, Hawai‘i
Agenda

01 Company Introduction
02 Hawaiʻi Renewable Energy Progress
03 CBRE 2 Program Summary
04 Proposed Solar Layout
05 Community Benefits
06 Nexamp's Community Solar Subscription
07 Outreach Capabilities
08 Comments, Q & A
About Nexamp

• Founded in 2007 (14 years experience in solar) by two high school friends

• Actively managing or developing solar projects in 18 territories (12 are Community Solar markets)

• Over 200 projects built totaling 370+ Megawatts

• Long-term owner and operator
  › Landowner has 1 contact throughout project life

• Strong financial partner, Diamond Generating Corporation, a Mitsubishi subsidiary
Current Status of Hawaiʻi Renewable Energy

- 1 in 3 homes in Hawaiʻi have rooftop solar
- State goal of 100% renewable energy utilization by 2045
- Hawaiian Electric achieved 34.5% renewables across its territory by end of 2020
  - Waste-to-energy, biomass, geothermal, hydro, wind, biofuels and solar, utility-scale and customer-sited rooftop systems.
Community-Based Renewable Energy (CBRE) Phase 2

- HECO program overseen by the Public Utilities Commission
- HECO SelfBuild team and developers bid in projects, HECO selects projects

**Phase 2 objectives:**
- To address significant renewable demand among customers without rooftop solar
- To help compensate for previous renewable energy programs falling short of goals
- To give low-to-moderate income customers access to renewable energy
- To speed up market development and customer access to CBRE benefits
- To address near-term capacity needs because of fossil fuel station retirements
Community-Based Renewable Energy (CBRE) Phase 2

Kawaihae and Kalaoa Projects would be a Low-to-Moderate Income (LMI) Project

- Based on Low (80% AMI) Income Limits by U.S. Dept of House & Urban Dev (HUD)*

<table>
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<tr>
<th>FY 2021 Income Limit Category</th>
<th>Persons in Family</th>
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<tbody>
<tr>
<td></td>
<td>1</td>
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<tr>
<td>Low (80%) Income Limits</td>
<td></td>
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<tr>
<td>($)</td>
<td>47,950</td>
</tr>
</tbody>
</table>

- Per program rule, at least 60% of energy generated must go to LMI homes
- Kawaihae 3.9-Megawatt system can host ~500 homes (~130 homes per Megawatt)
- Kalaoa 8.4-Megawatt system can host ~1,100 homes (~130 homes per Megawatt)
  - If not enough beneficiary homes sign up, rest of power can go to a nonprofit or other association that serves homesteads
• Mauka of Akoni Pule Hwy
• 3.9 Megawatts + battery storage
• 14.9 acres fenced
• Tracker system & bi-facial panels
• Behind existing substation
• 8.4 Megawatts + battery storage
• 27.6 acres fenced
• Tracker system & bi-facial panels
Compatible ground-mounted solar dual uses:

- Sheep farm
- Pollinator habitat
- Certified wildlife habitat
- Hand-picked crops not needing direct light
- Other uses?
Community Benefits

- **Discounted electricity to beneficiaries for 20+ years**
  - Savings depends on final CBRE 2 rules; likely 10-15% monthly discount
  - Priority to DHHL beneficiaries

- **Upgraded electrical infrastructure in community**

- **Local workforce opportunities**
  - Workforce training program for trade jobs in Construction and Maintenance

- **Donations** to nonprofit organizations that serve the homesteads

- **Local food production or other agriculture** suggested by beneficiaries

- **Low-impact use that conserves land** for future agriculture/other uses
The Nexamp Community Solar contract has:

- Guaranteed discount
- No upfront costs
- No cancellation fees
- No long-term commitment; can cancel with 90 days' notice
- No credit check or FICO score requirement
Nexamp is committed to the following outreach activities to ensure project success:

- **Information sessions** with Nexamp representatives in a public space
  - For project updates and community solar information

- **Direct mail** to beneficiaries, paid for by Nexamp

- **Printed ads** in local publications, paid for by Nexamp

- **Promoted posts** on Facebook, paid for by Nexamp

- **Flyers** with program information, provided by Nexamp
Onboarding Kit

• New subscribers receive the kit shortly before credits appear on their utility bills
• Contains a community solar handbook, reusable bag and window decal
• The handbook will be a resource for questions about credits and billing
# Most Recent CBRE Phase 2 Schedule

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Schedule Dates</th>
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<tbody>
<tr>
<td>(1) Draft RFP filed</td>
<td>July 9, 2020</td>
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<tr>
<td>(2) Technical Conference</td>
<td>July 29, 2020</td>
</tr>
<tr>
<td>(3) Parties and Participants file Comments by</td>
<td>August 12, 2020</td>
</tr>
<tr>
<td>(4) Proposed Final RFP filed</td>
<td>September 8, 2020</td>
</tr>
<tr>
<td>(5) Updated RFP Draft filed per Order 37592</td>
<td>March 30, 2021</td>
</tr>
<tr>
<td>(6) Parties and Participants file Comments by</td>
<td>April 14, 2021</td>
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<tr>
<td>(7) Proposed Updated RFP filed</td>
<td>May 14, 2021&lt;sup&gt;10&lt;/sup&gt;</td>
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<tr>
<td>(8) Final RFP issued</td>
<td>June 14, 2021&lt;sup&gt;11&lt;/sup&gt;</td>
</tr>
<tr>
<td>(9) IPP and Affiliate Proposal due date</td>
<td>August 13, 2021 at 2:00 pm HST</td>
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<tr>
<td>(10) Priority List selected</td>
<td>October 12, 2021</td>
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<tr>
<td>(11) BAFOs due</td>
<td>October 19, 2021</td>
</tr>
<tr>
<td>(12) Final Award Group selected</td>
<td>February 1, 2022</td>
</tr>
<tr>
<td>(13) Contract Negotiations Start</td>
<td>February 8, 2022</td>
</tr>
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RFP = Request For Proposals  
IPP = Independent Power Producer  
BAFO = Best And Final Offer
NEXT STEPS

2nd Week in October

• Two Public Hearings
• HHC Decision-Making on a Right-of-Entry to conduct due diligence studies and conversion to a General Lease if all requirements met.
• Due Diligence work on-site

• HECO has to release the RFP for CBRE
• Nexamp will respond to RFP—Secure Selection
More Information, More Questions?

MORE INFORMATION: on our website at: https://dhhl.hawaii.gov/po/Hawaii-island/

--Powerpoint, meeting notes, recording of the meeting

MAHALO!
BENEFICIARY DISCUSSION

• Questions on the Presentation?
  • Questions on the Process?
  • Questions about the Site?
  • Questions about HECO’s CBRE Program

• Input on how the Project could benefit your homestead community?
  • What kind of projects would benefit the homestead community.
  • What Regional Plan Priority Projects would you like to see supported by
  • IF there was only one RP PP that could be supported by this RE devmt, what do you think it should it be?