

HAWAIIAN HOMES COMMISSION SPECIAL MEETING AGENDA

Minutes of February 26, 2025

Grand Naniloa Hotel, Sandalwood Room, 93 Banyan Drive, Hilo, Hawaii 96720 and
Interactive Conferencing Technology (ICT) Zoom

PRESENT Kali Watson, Chairman
Makai Freitas, West Hawai'i Commissioner
Dennis L. Neves, Kauai Commissioner
Michael L. Kaleikini, East Hawai'i Commission
Lawrence Lasua, Moloka'i Commissioner
Sanoë Marfil, Oahu Commissioner

EXCUSED Archie Kalepa, Maui Commissioner
Pauline N. Namu'o, O'ahu Commissioner

COUNSEL R. Hokulei Lindsey, Deputy Attorney General

STAFF Linda Chinn, Acting Administrator, Land Management Division
Peter Kahana Albinio, Land Management Division
Andrew Sante, Land Agent
Lilianne L. Makaila, Planner V
Leah Burrows-Nuuanu, Secretary to the Commission
Diamond Badajos, Information and Community Relations Officer
Bryan Jeremiah, East Hawaii District Supervisor
Ruby Nuesca, HHL Assistant
Michael Lowe, Information Specialist

ORDER OF BUSINESS

CALL TO ORDER

Chair Anderson called the meeting to order at 11:04 AM. Seven (7) members were present at the meeting location, establishing a quorum.

APPROVAL OF AGENDA

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Freitas, to approve the agenda. Motion carried unanimously.

Chair Watson stated that public testimony had already been received and would not be taken again

ITEMS FOR DECISION MAKING

LAND MANAGEMENT DIVISION

ITEM F-1 Approval to Issue a Right-of-Entry Permit (for up to three years) and Conditional Approval for a General Lease to Hawaii Land & Power, LLC, a Hawaii limited liability company, for due diligence purposes and a long-term General Lease (25-years with options to extend) to develop a community-based renewable energy project on 12.75-acres of Hawaiian Home Lands, TMK No. (3) 2-1-025:086, Pana'ewa, Hawai'i Island

RECOMMENDED MOTION/ACTION

Land Management Division General Professional Kahana Albinio, Acting Administrator Linda Chinn, and Land Agent Andrew Sante presented the following:

Motion that the Hawaiian Homes Commission approve to issue a Right-of-Entry Permit (for up to three years) and Conditional Approval for a General Lease to Hawaii Land & Power, LLC, a Hawaii limited liability company, for due diligence purposes and a long-term General Lease (25-years with options to extend) to develop a community-based renewable energy project on 12.75-acres of Hawaiian Home Lands, TMK No. (3) 2-1-025:086, Pana'ewa, Hawai'i Island

K. Albinio stated that the request included a right-of-entry permit for up to three years for due diligence and a long-term general lease of 25 years with extension options to develop a renewable energy project on 12.75 acres of Hawaiian homelands. The project aimed to generate between 30 and 60 megawatts of energy.

He suggested the recommended actions included issuing a right-of-entry permit for HLPLLC to assess the feasibility of the project, conditional approval of a general lease for the project's development and operation, and approval of necessary non-exclusive licenses for access and maintenance. He stated that the issuance of the right-of-entry permit and general lease would be subject to the proposed terms outlined in Exhibit F. The Commission was also asked to delegate authority to the Chairperson to negotiate the final terms of the agreements and ancillary documents. Additionally, the Commission was to prescribe any necessary terms and conditions deemed prudent for the project's success.

MOTION

Moved by Commissioner Freitas, seconded by Commissioner Neves, to approve the motion as stated in the submittal.

DISCUSSION

Representing Hawaii Land & Power was Dan Giovanni and Principal Developer David Berryhill.

Commissioner Kaleikini inquired whether a greenhouse gas analysis would be required if Hawaii Land and Power secured a power purchase agreement with Hawaiian Electric. D. Giovanni responded that the Environmental Impact Statement (EIS) would include some level of greenhouse gas analysis to meet Public Utilities Commission (PUC) requirements. He noted that the Department of Energy, under Governor Green, had recommended that all proposed energy projects undergo a full carbon footprint analysis, which would cost between \$100,000 to \$200,000 per proposal. However, the PUC had not yet determined the level of detail required for such analyses. Commissioner Kaleikini referenced testimony from beneficiaries and other commenters who expressed concerns about emissions, emphasizing the need for clarity on this issue. He pointed out that a thorough analysis could demonstrate the project's net benefit, particularly in relation to the decommissioning of older power plants that burn outdated and more polluting fuels.

D. Giovanni agreed with this assessment and confirmed that the company intended to conduct an EIS rather than an Environmental Assessment (EA), responding to public calls for a more detailed study. He acknowledged that an EIS was more costly but stated that Hawaii Land and Power was committed to covering the expenses rather than passing them on to others. Kaleikini appreciated this commitment and reaffirmed that the company's prior statements on conducting an EIS aligned with responsible project planning.

D. Berryhill explained that the State Energy Office had advocated for a greenhouse gas (GHG) study to be conducted as part of the proposal process. However, he clarified that once a project was selected, the Request for Proposals (RFP) mandated a GHG study, particularly for thermal projects like this one. He

emphasized that whether the study occurred during the proposal stage or later, it would ultimately be required if the project was selected and proceeded through the Power Purchase Agreement (PPA) process.

Commissioner Kaleikini compared the project's draft terms to the Kalawa solar project, noting that the proposed right-of-entry fee exceeded \$3,000 per acre, while Kalawa's was around \$1,000, with a \$2,500 per acre general lease rate. He stressed the need for consistency and fairness in pricing but acknowledged Chair Watson's authority to negotiate terms. He supported the project, emphasizing that the site had been vacant for over a decade, was zoned industrial, and was unsuitable for residential development. He saw benefits in decommissioning old power plants, addressing safety concerns, and cleaning up the area, which had trespassers and overgrown vegetation. He commended the Land Management Division and confirmed his support.

Commissioner Freitas acknowledged the presentation and urged the developers to engage more with beneficiaries and the community to address their concerns. He disagreed with the notion that risk was necessary, emphasizing that the project should be entirely safe, emissions should be controlled, and the benefits package should provide meaningful support to neighboring communities, whether through financial agreements or resources. He supported the labor union aspect of the project and encouraged collaboration with unions, internships, and local institutions like UH Hilo and community colleges to prepare beneficiaries for the high-paying jobs the project would create. He stressed the importance of starting job preparation now rather than waiting until the project was operational. Responding to concerns about the project's urgency, he referenced a State Senate hearing where a senator questioned why DHHL was not maximizing revenue from its commercial properties instead of requesting more funding for housing development. He viewed the project as a step toward increasing DHHL's revenue potential. While supporting the project, he urged developers to maintain transparency and work closely with key stakeholders, such as Aunty Maile Lu'uwai, Chair Watson, and the Land Management Division, to ensure integrity and open communication throughout the process.

Commissioner Neves thanked the presenters and acknowledged the beneficiaries who provided testimony. He considered the concerns he would have if the project were in his own backyard, emphasizing the importance of health, safety, and emission issues. He strongly supported implementing monitoring systems in the area to track pollutants. While recognizing the goal of achieving zero emissions, he acknowledged that current technology was still evolving but viewed this project as a step in the right direction. He referenced past developments like the airport and sewage plant, stating that this project aimed to address existing issues rather than add new burdens. Drawing from his experience in airport operations and fuel storage, Commissioner Neves raised concerns about the containment and design of the fuel storage system, stressing that it must be state-of-the-art. He also highlighted challenges related to battery storage, pointing out that the proposed fence wrap was inadequate and that concrete barriers should be used to prevent fire spread. He advocated for fire suppression systems and alarm systems that would notify beneficiaries in the area of any issues, particularly for those with health conditions who may need to evacuate. He noted his experience with computer system fire suppression using halon gas and warned against its release into open areas. He emphasized that these safety measures should be explicitly included in the project contract. Lastly, he inquired whether there was a sufficient biofuel supply to sustain plant operations at the proposed 30-megawatt capacity.

D. Giovanni explained that their team includes a biodiesel specialist committed to either producing fuel locally or expanding production to meet the project's needs. If necessary, feedstock could be imported, refined, and supplied to the project. However, an ongoing petition before the Public Utilities Commission (PUC) could impact fuel procurement, as Hawaiian Electric proposed managing statewide fuel distribution. Depending on the outcome, the project could have either significant or minimal control over procurement decisions. Commissioner Neves raised concerns about ensuring economic opportunities for

beneficiaries, but Giovanni noted that a successful model on Kauai, where land is dedicated to biofuel production, could be replicated on Hawaii Island.

Commissioner Neves also emphasized the importance of community benefits and urged beneficiaries to involve their successors in decision-making. He stressed that beneficiaries should decide how funds from the project are used, whether through scholarships or energy discounts. He advocated for keeping revenue from the project within Panaʻewa rather than redirecting it to developments elsewhere on the island. He stated that he would document his concerns in an email to the department to create a formal record. Acknowledging that many decision-makers would not be present when the project is finalized, he emphasized the long-term impact of their choices and the need for careful planning.

Commissioner Marfil thanked the presenters and acknowledged the information provided. She emphasized that a recurring theme in the testimony was the importance of the benefits package and urged both the developers and the department to continue discussions on the matter. She suggested that the benefits package should be revisited periodically, allowing for adjustments based on new trends or community needs. Marfil also highlighted the project as a learning opportunity, referencing testimony that encouraged decision-makers to consider their ancestors and the voices guiding them. She noted that knowledge comes from various sources, and the three-year right-of-entry period would provide valuable insights to inform future decisions.

Commissioner Kaneakua emphasized the importance of direct community engagement and ensuring beneficiaries have a stake in the project. He acknowledged the expected return on investment for Lotus but stressed prioritizing benefits for beneficiaries. He supported replacing outdated technology with a more efficient and environmentally sound system. Commissioner Kaneakua encouraged ongoing discussions and beneficiary consultations, highlighting the need to transform DHHL properties from liabilities into assets while ensuring the project strengthens Hawaiʻi Island and its surrounding communities.

Chair Watson acknowledged the potential benefits of the proposed project and emphasized that the process, if approved, would be long and evolving. He highlighted opportunities for local consultants, construction workers, and site cleanup crews to participate, as well as the potential for growing sunflower crops for biofuel production on nearby DHHL lands in Panaʻewa. He noted that DHHL has underutilized lands that could be activated for agriculture and referenced ongoing efforts to identify and justify the transfer of fertile lands, which historically had been given to sugar plantations and ranchers. Chair Watson also pointed to successful models, such as KIUC's partnership with the Anahola community, which generated jobs, educational programs, and revenue-sharing opportunities. He suggested incorporating community benefits, including electricity discounts for beneficiaries, similar to a DHHL photovoltaic project near Kona Airport. He proposed the idea of creating a cooperative run by beneficiaries to manage biofuel production on DHHL lands.

Chair Watson stressed that safety was paramount, given the proximity to farms and residences, and that blackouts could potentially be mitigated by the project. He emphasized the need for flexibility in structuring agreements to adapt benefits over time and encouraged collaboration between DHHL, beneficiaries, and developers to ensure a successful application that could bring long-term economic and infrastructural benefits. He concluded by recognizing the project's \$250 million investment as a significant step toward creating a valuable asset for DHHL programs.

Public Testimony – Bob Douglas - acknowledged the project's progression and stressed that safety must be the top priority. He emphasized proper engineering for battery storage, including the ability to isolate energy storage modules, and called for two additional air quality monitoring stations in Panaʻewa and Kekaha. He urged a well-documented emergency management plan, including modernized fire department

capabilities, and supported incorporating halon fire suppression. He advocated for meaningful benefits, suggesting a subsidized solar panel installation program instead of electricity discounts. Lastly, he proposed allowing beneficiaries affected by the project to exchange their property for another location if necessary.

MOTION/ACTION

Moved by Commissioner Neves, seconded by Commissioner Lasua, to approve the Consent Agenda as stated in the submittal						
Commissioner	1	2	AYE (YES)	A'OLE (NO)	KANALUA ABSTAIN	EXCUSED
Commissioner Freitas	X		X			
Commissioner Kaleikini			X			
Commissioner Kalepa						X
Commissioner Kaneakua			X			
Commissioner Lasua			X			
Commissioner Marfil			X			
Commissioner Namu'o						X
Commissioner Neves		X	X			
Chairman Watson			X			
TOTAL VOTE COUNT			7			2
MOTION: <input checked="" type="checkbox"/> UNANIMOUS <input type="checkbox"/> PASSED <input type="checkbox"/> DEFERRED <input type="checkbox"/> FAILED Motion passed unanimously, Seven (7) Yes votes, (2) excused						

D. Giovanni thanked the commission and emphasized the value of DHHL's partnership in strengthening their competitive position in the process. He acknowledged the importance of collaboration and expressed his commitment to working with DHHL moving forward.

ANNOUNCEMENTS AND ADJOURNMENT

Chair Watson concluded the meeting, thanking all participants. He announced that the next regular meeting would be held on March 17th and 18th at Hale Kuhio in Waimea, Hawaii Island, starting at 9:30 a.m., and the next community meeting would take place at the Kilapa Community Center at Kauai High. He expressed anticipation for future discussions and adjourned the meeting.

ADJOURNMENT

1:44 PM

Respectfully submitted:



Kali Watson, Chairman
Hawaiian Homes Commission

Prepared by:



Leah Burrows-Nuuanu, Commission Secretary
Hawaiian Homes Commission