

CARLSMITH BALL LLP
STEVEN S. C. LIM 2505
JENNIFER A. BENCK 8357
PUANANIONAONA P. THOENE 10005
ASB TOWER
1001 Bishop Street, Suite 2200
Honolulu, Hawai'i 96813
Tel No. 808.523.2500

Attorneys for Successor Petitioner
to the Robinson Property (Parcel 52)
HO'OHANA SOLAR 1, LLC

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAI'I**

**In the Matter of the Petition of
HALEKUA DEVELOPMENT
CORPORATION, a Hawai'i corporation**

DOCKET NO. A92-683

MEMORANDUM IN SUPPORT OF MOTION

To Amend the Agricultural Land Use District
Boundary into the Urban Land Use District for
Approximately 503.886 Acres at Waikele and
Ho'ae'ae, 'Ewa, O'ahu, City and County of
Honolulu, State of Hawai'i, Tax Map Key No.
9-4-02: 1, portion of 52, 70 and 71

MEMORANDUM IN SUPPORT OF MOTION

I. INTRODUCTION AND IDENTIFICATION OF PETITION AREA

By Findings of Fact, Conclusions of Law, and Decision and Order dated October 1, 1996 ("**1996 Order**"), as amended by the State of Hawai'i Land Use Commission's ("**Commission**") October 7, 2013 *First Amendment to the Amended Findings of Fact, Conclusions of Law, and Decision and Order filed on October 1, 1996* ("**2013 Order**"), the Commission reclassified approximately 503.886 acres of land situate at Waikele and Ho'ae'ae, 'Ewa, O'ahu (the "**Petition Area**"), from the State Land Use ("**SLU**") Agricultural District to the SLU Urban District, subject to 25 conditions of approval, for the development of the Royal Kunia Phase II Project. The Petition Area is located approximately 1.2 miles north of the Kunia Interchange of

Interstate Route H-1. The property is bounded on the east by the Waikele Stream, on the south by the Royal Kunia Phase I residential development, on the west by Kunia Road, and on the northwest by a 150-acre State Agricultural Park. At the time of the original petition, the Petition Area was designated by Tax Map Key Nos. (1) 9-4-002: 001, 052 (por.), 070 (por.) and 071 (por.). See Exhibit A of the Commission's 1996 Order. The current Tax Map Key designations of the Petition Area are (1) 9-4-002: 001 (por.), 052, 070, 071, 078, and 079. See **Successor Petitioner's Exhibit 1** (maps showing Parcel 52 and the Petition Area superimposed over the current tax map and GIS map showing the existing development southeast and adjacent to the Petition Area).¹ Attached hereto as **Successor Petitioner's Exhibit 2A** is a graphic showing the SLU District classifications of the Petition Area and surrounding properties. Attached hereto as **Successor Petitioner's Exhibit 2B** is a map of the Petition Area with an Overlay of the current zoning. Attached hereto as **Successor Petitioner's Exhibit 2C** is a map of the regions covered by the Central O'ahu Sustainable Communities Plan. Attached hereto as **Successor Petitioner's Exhibit 2D** is a copy of relevant portions of the Honolulu City and County Land Use Ordinances Master Use Table 21-3.

II. **COMMISSION CRITERIA FOR A MOTION TO AMEND**

A. **AUTHORITY TO AMEND**

HAR § 15-15-94 provides in part as follows:

(a) If a petitioner, pursuant to this section, desires to have a . . . modification of the commission's order, the petitioner shall file a motion in accordance with section 15-15-70 and serve a copy on all parties to the boundary amendment proceeding . . . in which the order was issued, and to any person that may have a property interest in the subject property as recorded in the county's real property tax records at the time that the motion is filed.

(b) For good cause shown, the commission may act to modify or delete any of the conditions imposed or modify the commission's order.

(c) Any modification or deletion of conditions or modifications to the commission's order shall follow the procedures set forth in subchapter 11.

¹ One full sized copy of the tax map was filed with the Commission at the filing of this Motion.

B. SERVICE OF MOTION

Under HAR section 15-15-94, a petitioner filing a motion to amend or delete conditions under H.A.R. section 15-15-70 must serve a copy of the motion on all parties to the original boundary amendment proceeding in which the condition was imposed or the order was issued, and to any person who may have a property interest in the subject property as recorded in the County's real property tax records at the time that the motion is filed.

Pursuant to H.A.R. section 15-15-48, a copy of this motion was also served on the State Office of Planning and the City and County of Honolulu Department of Planning and Permitting. As determined based on a review of the title reports for the Petition Area, all persons with a recorded interest in the Petition Area have been served with a copy of this Motion.²

III. SUCCESSOR PETITIONER'S INTEREST IN THE PETITION AREA

A. HO'OHANA SOLAR 1, LLC

The original Petitioner in this Docket was Halekua Development Corporation ("**Halekua**"). The property comprising the Petition Area was originally owned in fee simple by Caroline J. Robinson Limited Partnership, a Hawai'i limited partnership; Bishop Trust Company, Limited, a Hawai'i corporation, Trustee; Chinn Ho, Herman G.P. Lemke and Mildred Teresa Centeio, Trustees; Waikele Lands, Ltd., a Hawai'i corporation; and American Trust Co. of Hawai'i, Inc., a Hawai'i corporation, Trustee (collectively, "**Robinson Estate**"). Subsequently, by way of limited warranty deeds, the Robinson Estate conveyed 347.036 acres of the Petition Area to Halekua. Various legal proceedings in the 2000s resulted in Halekua losing control of the Petition Area, such that the present ownership of the Petition Area is as follows:

Robinson Kunia Land LLC, TMK No. 9-4-002: 052 (161.023 acres);

Canpartners IV Royal Kunia Property LLC, TMK Nos. 9-4-002: 071 (161.335 acres) and 079 (por.) (0.025 acres);

HRT Realty, LLC, TMK Nos. 9-4-002: 001 (por.) (as to an undivided 48.78% of 123.712 acres as Tenants in Common), 070 (13.304 acres), and 078 (36.660 acres);

² The title reports for the properties in the Petition Area, TMK Nos. 9-4-002: 001, 052, 070, 071 and 079, are attached hereto as Successor Petitioner's Exhibit 15.

300 Corporation, TMK No. 9-4-002: 001 (por.) (as to an undivided 25.63% of 123.712 acres as Tenants in Common);

Honolulu Limited, TMK No. 9-4-002: 001 (por.) (as to an undivided 25.59% of 123.712 acres as Tenants in Common); and

RKES, LLC, TMK Nos. 9-4-002: 071 (por.) (0.025 acres) and 079 (12.0 acres).

See id. Therefore, Canpartners IV Royal Kunia Property LLC, HRT Realty, LLC, 300 Corporation, Honolulu Limited, RKES, LLC, and Robinson Kunia Land LLC are the successors in interest to their respective TMK parcels under Docket No. A92-683. The Petition Area remains subject to the terms and conditions of the 1996 Order, as amended, by recorded Declaration of Conditions Imposed by the Land Use Commission, dated April 8, 1994, and Declaration of First Amendment to the Amended Findings of Fact, Conclusions of Law, and Decision and Order Filed on October 1, 1996, dated June 20, 2014 (the "**Declarations**").³ *See **Successor Petitioner's Exhibit 3*** (excerpts from the 1996 Order).

By way of limited warranty deeds,⁴ the Robinson Estate conveyed TMK No. 9-4-002: 052 consisting of 161.023 acres to Robinson Kunia Land LLC ("**RKL**"). On August 2, 2012 RKL and Forest City Sustainable Resources, LLC ("**Forest City**") entered into a two-year Option Agreement, which grants Forest City an exclusive and irrevocable option to develop, construct and operate a solar power generating Project on Parcel 52. As will be discussed in more detail below, Forest City and Hanwha Q CELLS USA ("**Q CELLS**") joined together to create Ho'ohana Solar 1, LLC (hereinafter referred to as "**Successor Petitioner to Parcel 52**" or "**Successor Petitioner**" or "**Ho'ohana**" or "**Ho'ohana Solar**"), the entity responsible for the development of the proposed solar farm on Parcel 52 (the "**Project**"). Ho'ohana hereby respectfully requests that the Commission recognize Ho'ohana as the Successor Petitioner to Parcel 52 in this Docket A92-683, and thereby recognize and confirm Ho'ohana's standing to bring this Motion and to seek the requested relief.

³ The Declarations were recorded in the Bureau of Conveyances as Regular System Document Nos. 94-065022 and A-52840766. In accordance with HAR §15-15-63(j) and (k), a copy of the Declarations were not filed with this Motion.

⁴ Said deeds are recorded in the State of Hawai'i Bureau of Conveyances as Document Nos. 2005-130516 thru 2005-130519 and 2005-155094 thru 2005-155100. Pursuant to HAR § 15-15-63(j) and (k), a copy of the warranty deeds were not filed with this Motion.

IV. BACKGROUND ON PETITION AREA

A. COMMISSION PROCEDURAL HISTORY

Halekua filed the original petition to reclassify the Petition Area from the SLU Agricultural District to Urban District in 1992. The original Petition Area for the Royal Kunia Phase II Project was 504.865 acres. *See Findings of Fact, Conclusions of Law, and Decision and Order* dated December 9, 1993 ("**1993 Order**"). In the 1993 Order, the Commission approved the reclassification of the Petition Area from the SLU Agricultural District to the Urban District to allow for the development of the Royal Kunia Phase II Project. A total of 2,000 single-family and multi-family residential units are proposed for the Royal Kunia Phase II Project. Of the 2,000 residential units planned as a part of Royal Kunia Phase II, approximately 850 of those units are proposed to be developed on Parcel 52. *See Successor Petitioner's Exhibit 4*, at 12 (1996 Development Plan and Final Environmental Assessment for Royal Kunia, Phase II, Increment 3, hereinafter "**1996 Development Plan & FEA**"). In addition, the Project includes 123 acres of light industrial uses, a 6 acre elementary school, and an 11.1 acre public park, all to be located outside of Parcel 52. Halekua also dedicated 150 acres of land within the Petition Area to the State for use as an Agricultural Park. *See 1996 Order*, FOF 37, 38, at 11-12.

In 1996, Halekua filed a Motion to Amend the 1993 Order to change the ownership interest and correct the metes and bounds of the Petition Area due to a change in the design of the Project, most notably removing the planned 160-acre golf course and thus decreasing the overall density of the overall Project from 10.1 units per acre to approximately 6.1 units per acre. 1996 Order, FOF 11, 29, at 4-5, 10. The Commission granted the Motion and the metes and bounds of the Petition Area were corrected to 503.886 acres by the 1996 Order. The revised plan also proposed to dedicate an 11.1-acre park instead of a 10-acre park to satisfy the Park Dedication Ordinance requirement. 1996 Order, FOF 35, at 11. As a result, Condition No. 6 of the 1993 Order, requiring Halekua to make available adequate golf tee times at affordable rates for public play to local residents, was deleted from the 1996 Order. The 1996 Order also deleted the original Condition No. 20, requiring Halekua to insure that no residential units would be constructed in the Navy's blast or buffer zone on the Property. All other conditions imposed by the 1993 Order were reaffirmed by the 1996 Order.

The Commission did not impose a condition requiring the Royal Kunia Phase II Project to be completed by a date certain. However, the 1996 Order anticipated that under the revised

plan, the Project would be developed over a 12-year period, without specifying the end date. 1996 Order FOF 43, at 13.

In 2013, Canpartners IV Royal Kunia Property LLC ("**Canpartners**") filed a *Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order* on October 1, 1996 to modify Condition 2 of the 1996 Order to recognize Canpartners' standing and to clarify Canpartners' responsibility for implementing certain local and regional transportation improvements related to the Royal Kunia Phase II Project. The Commission granted Canpartners' motion by the *First Amendment to the Amended Findings of Fact, Conclusions of Law, and Decision and Order filed on October 1, 1996*, dated October 7, 2013 ("**2013 Order**"). Under the Commission's amended Condition No. 2, Canpartners is no longer required to construct the improvements to the Kunia Road south of Cane Haul Road because those improvements are deemed regional, for which Canpartners will pay its pro-rata share. However, Canpartners remains responsible for the "local" improvements to Kunia Road north of Cane Haul Road up to the northernmost boundary of Royal Kunia Phase II. *See* 2013 Order (adopting the State Office of Planning's FOF 160A and 161(A) and Canpartners' proposed amendments to Condition No. 2).⁵ The traffic improvements required of Canpartners will be determined by the State DOT, and the City and County of Honolulu, Department of Transportation Services, which agencies may require Canpartners to dedicate certain rights of way.

⁵ The amended Condition 2 in its entirety requires petitioner (the Petitioner of the 2013 Motion was Canpartners alone) to:

fund, design, and construct the local transportation improvements necessitated by the proposed development, on a pro-rata basis, north of the Cane Haul Road intersection with Kunia Road, as determined and approved by the State Department of Transportation and the City and County of Honolulu, Department of Transportation Services, including without limitation the dedication of any rights-of-way to the State or County. Petitioner shall provide its fair share contribution toward regional transportation mitigation improvements, including but not limited to the Interstate H-1 Kunia Interchange and Kunia Road, south of the intersection with the Cane Haul Road, as determined and approved by DOT. Petitioner shall also be required to provide the following:

- A. All of the other improvements needed (which will not be provided by the Village Park and Royal Kunia, Phase I projects) to make Kunia Road a 4-lane highway with auxiliary lanes for both left and right turning movements (between Cane Haul Road Intersection and the northernmost boundary of Royal Kunia, Phase II) and a third northbound lane between Cane Haul Road Intersection and the north Kupuna Loop intersection, provided that interim measures prior to full build out may be allowed with the approval of DOT.

B. CURRENT ZONING OF THE PETITION AREA

Parcel 52 (161.023 acres) is currently zoned by the City and County of Honolulu as Restricted Agricultural AG-1. See **Successor Petitioner's Exhibit 2B** (a map of the Petition Area with an overlay of the current zoning). The rest of the Petition Area has been rezoned by the City and County of Honolulu from AG-1 to the urban uses of Low-Density Apartment A-1, Neighborhood Business B-1, Limited Industrial I-1, General Preservation P-2, and Residential R-5. The remaining parcels in the Petition Area are zoned as follows:

TMK No. 9-4-002: 001 – B-1 (Business Neighborhood) and I-1 (Limited Industrial) (Fee Owners: HRT Realty, LLC, 300 Corporation, and Honolulu Limited).

TMK No. 9-4-002: 070 – A-1 (Low-Density Apartment) (Fee Owner: HRT Realty, LLC).

TMK No. 9-4-002: 071 – A-1 (Low-Density Apartment), R-5 (Residential), and P-2 (Preservation General) (Fee Owners: Canpartners and RKES, LLC);

TMK No. 9-4-002: 078 – A-1 (Low-Density Apartment) (Fee Owner: HRT Realty, LLC);

TMK No. 9-4-002: 079 – P-2 (General Preservation) (Fee Owners: Canpartners and RKES, LLC).

V. **BACKGROUND ON PARCEL 52, HECO WAIVER PROCESS, AND HO‘OHANA SOLAR**

A. PARCEL 52 BACKGROUND

Parcel 52, the portion of the Petition Area owned by RKL and on which Ho‘ohana proposes to develop as a solar farm, has been classified in the State Land Use ("SLU") Urban District since 1993 when the LUC first reclassified the Petition Area from the SLU Agricultural District to the Urban District. Parcel 52 is slated to be developed as Royal Kunia Phase II, Increment 3 ("**Increment 3**"). See **Successor Petitioner's Exhibit 4**, at 1 (1996 Development Plan & FEA). At the date of this Motion, Royal Kunia Phase II, Increments 1 and 2 have yet to be constructed.⁶ As the timing of development of Increment 3 is proposed to follow

⁶ Royal Kunia Phase II, Increments 1 and 2 are proposed to be developed on TMK Nos. 9-4-002: 001 (por.), 070, 071, 078 and 079. On information and belief, construction of Royal Kunia Phase II, Increments 1 and 2 have not yet

development of Increments 1 and 2, and is not feasible until the infrastructure from Increments 1 and 2 are established, RKL and Ho‘ohana have determined that the proposed interim use of Parcel 52 as a utility-scale solar farm for an operational period not to exceed 30 years is reasonable, until such a time that Parcel 52 is ready for residential development. This interim use of Parcel 52 would be a low-impact, environmentally friendly use that benefits utility customers island wide.

B. HECO LOW-COST WAIVER RFP

The Ho‘ohana Project will provide electricity to HECO at a price that is consistent with other low-cost waiver suppliers, which is projected to be roughly half of the current average cost. HECO currently has an on-peak Avoided Cost of \$0.198 per kilowatt hour. Avoided Costs is essentially the marginal cost to produce one more unit of power. This cost is quite high and is influenced greatly by the price of oil. Ho‘ohana will sell electricity to HECO near the publicly announced average price of \$0.158 per kilowatt hour for the Low-Cost Waiver Projects representing an approximately 20% price reduction from costs today. Ho‘ohana's price will be locked in for the term of the contract, while HECO's Avoided Cost is subject to the ever-increasing and volatile oil prices. A short history of the HECO Low-Cost Waiver Project will help to set the historical basis of the Project proposed by Ho‘ohana.

HECO issued a request for proposals ("**RFP**") for Low-Cost Waiver projects in February 2013. The RFP sought renewable energy projects for O‘ahu only. The RFP requested projects greater than 5 megawatts ("**MW**") that could provide power under the threshold price of 17 cents per kilowatt hour. HECO selected 5 projects consisting of a total of 64 MW as part of the first round of the waiver solicitation. The Public Utilities Commission ("**PUC**") approved the first round of waiver projects (i.e., waivers from competitive bidding) in February 2014.

HECO issued a second round RFP, requesting projects that could provide power under a new threshold price of 16.25 cents per kilowatt hour, levelized over a 20-year period without the use of Hawai‘i state tax credit incentives. From that RFP, HECO selected 6 projects consisting of a total of 192 MW, among which the Ho‘ohana Solar Project was selected. The PUC recently approved this second round of waiver projects in August 2014.

commenced but are fully entitled to proceed with construction. The TMK parcels for Increments 1 and 2 have been conditionally rezoned under the Unilateral Agreement and Declaration of Conditional Zoning recorded March 6, 1995 as Regular System Doc. No. 95-030454, and the Unilateral Agreement and Declaration for Conditional Zoning recorded April 14, 1997 as Regular System Doc. No. 97-047601, respectively.

Prior to HECO's RFP, Forest City and RKL began discussions about the feasibility of developing a solar farm on Parcel 52. As an experienced solar developer, Forest City had previously completed six smaller renewable energy projects on O'ahu and sought to bid on HECO's RFP. Forest City and RKL subsequently entered into the August 2012 Option Agreement to develop Parcel 52 as a solar farm. Because of the potential size of the Project compared to Forest City's other projects, Forest City sought an experienced solar developer and operator, resulting in a partnership with Hanwha Q CELLS USA.

C. HO'OHANA SOLAR

Ho'ohana Solar is a joint venture by Forest City Sustainable Resources, LLC ("**Forest City**") and Hanwha Q CELLS USA ("**Q CELLS**" or "**Hanwha**"). Hanwha Q CELLS USA was formerly known as Hanwha Solar Energy America, but has been re-branded as Hanwha Q CELLS USA since the beginning of the Project. Both Forest City and Q CELLS have significant experience with renewable energy projects here in Hawai'i, as they have separately developed seven (7) utility-scale solar farms between them on O'ahu.

RKL and Forest City have executed an Option Agreement dated August 2, 2012,⁷ attached hereto as Successor Petitioner's Exhibit 5 (Memorandum of Option Agreement), giving Forest City an exclusive and irrevocable option to lease Parcel 52 for the development, construction and operation of a solar power electricity generating project. Assuming approval of this Motion by the Commission, the parties plan to enter into a Land Lease and Solar Easement for the Project Area.

D. EXPERIENCE IN SOLAR DEVELOPMENT BY HANWHA AND FOREST CITY

1. Hanwha Q CELLS USA

Q CELLS focuses on the development, ownership and operation of commercial and utility scale solar power facilities in North and Latin America. Q CELLS is the North American downstream operating arm of Hanwha Q CELLS, an integrated global supplier to the entire photovoltaic value chain, from cell production to crystalline solar modules up to turnkey solar power stations.

Since 2007, Q CELLS and its predecessor entities have contracted over 160 MW in

⁷ The Memorandum of Option Agreement is recorded in the Bureau of Conveyances as Document No. A-46960924.

commercial, utility and school projects in the Americas, which includes systems for HECO, Puerto Rico Electric Power Authority, Pacific Gas & Electric, Southern California Edison, Indianapolis Power & Light, Los Angeles Unified School District, and various other commercial and institutional customers.

Q CELLS is responsible for developing the following renewable energy projects: Kalaeloa Renewable Energy Park (Kapolei, HI; 6.17 MW), Q CELLS PR Isla Solar, LLC (Puerto Rico; 55 MW), Garnet Solar Generation Station 1, LLC (Palm Springs, CA; 5 MW), Maywood (Indianapolis; 11 MW), Planada Elementary School District (Planada, CA; 490 KW, Lafayette Elementary School District (Lafayette, CA; 479 KW), and Le Grand Union School District (Le Grand, CA; 261 KW). In addition to developing the aforementioned projects, Q CELLS is responsible for engineering and constructing over 80 MWs of solar PV systems under EPC contracts with Pacific Gas & Electric, Los Angeles Unified School District, and a leading renewable energy investment fund in Canada. See **Successor Petitioner's Exhibit 6** (fact sheets detailing the Ho'ohana team's experience in renewable energy development).

The Kalaeloa Renewable Energy Park, a Q CELLS project, is a 6.17 MW solar farm that sits on 20 acres in 'Ewa, O'ahu at TMK (1) 9-1-013: 029. The property is in the SLU Urban District, has a County zoning of F-1 Military Use, and is designated for Eco-industrial Use under the Kalaeloa Master Plan. It opened on December 23, 2013 and is one of the largest solar energy generation facilities in Hawai'i.

2. Forest City Sustainable Resources, LLC

Forest City is a master developer of many prestigious real estate projects across the U.S. Forest City has a long and proud record of successful public-private partnerships that have helped to redevelop large complex projects, in cities like Chicago, Denver, Boston, Cleveland, New York, as well as here in Hawai'i. Forest City is committed to developing high-quality urban projects that - through careful consideration of planning, architectural design, market sensitivity, quality construction and sustainable operating systems - provide enduring value and capital appreciation for its partners and its company. The communities and buildings Forest City creates enhance the urban environment, are respectful of historical context, enliven the pedestrian experience and become part of the city fabric.

Forest City is one of the few remaining multi-product real estate companies developing retail, residential, commercial, entertainment and office properties. Forest City has won awards

and international recognition for achievements in redevelopment and community building. Forest City Enterprises engages in projects that will reenergize communities for years to come.

Forest City has developed the following renewable energy projects in Hawai'i: Kapolei Sustainable Energy Park (1.18 MW), Pearl City Peninsula Renewable Energy Park (1.28 MW), Twelker Solar Farm (Wai'anae; 0.60 MW), Olsen Solar Farm (Wai'anae; 0.60 MW), Arthurs Solar (Wai'anae; 0.60 MW), and Phan Solar (Wai'anae; 0.57 MW).

One of Forest City's recent projects consisted of installing solar to service approximately 6,500 homes at the Ohana Military Communities on the Marine Corps Base Hawai'i and Navy Region Hawai'i. Forest City partnered with SolarCity and Mililani Communities for this Project. *See id.*

In addition to its solar projects, in Hawai'i, Forest City is the developer of the 271-acre Kamakana Villages, a workforce housing development located in Kona, on the Island of Hawai'i. The Kamakana Villages project was undertaken by Forest City and the State of Hawai'i, Housing Finance and Development Corporation. Forest City has also redeveloped approximately 6,500 homes for the Navy and Marines, mentioned above, and is also developing the Kapolei Lofts, a 499-unit market rental development nearing ground breaking in Kapolei, on the Island of O'ahu.

The members of the Ho'ohana team are national and local experts in their fields and have had experience with projects of a similar scope and magnitude. The combination of expertise gives this team a competitive advantage as they are able to quickly and efficiently navigate the considerable and complex channels of developing a utility-scale solar farm in Hawai'i. *See id.* Leading the Project are Jon Wallenstrom and Ann Bouslog. Mr. Wallenstrom is the President of Forest City Hawaii and Ms. Bouslog is the Development Manager for Forest City Hawaii. Both individuals have a broad range of experience in real estate consulting and development.

VI. PROPOSED SOLAR FARM BY HO'OHANA SOLAR

A. SOLAR FARM ON PARCEL 52 AS AN INTERIM USE

Assuming the Commission's approval of this Motion, Parcel 52 will be used as a solar farm for an interim time not to exceed an operational period of 30 years. During this interim period, Ho'ohana requests that the conditions imposed by the 1996 Order relating to development of the residential units at Parcel 52 be deferred until such time that the residential

development of Increment 3 on Parcel 52 is pursued. RKL supports and consents to the Motion and the interim use as a solar farm. See Successor Petitioner's Exhibit 7 (RKL's Consent to Ho'ohana's Motion to Amend).

The proposed solar farm on Parcel 52 by the Ho'ohana Solar Project will be 20 MW (ac)/24 MW (dc). The 20 MW solar farm will assist in substantially reducing HECO's cost of providing electricity on O'ahu. The solar electricity produced by the Project and provided to HECO will help to reduce the 6 billion dollars that Hawai'i spends on imported oil and can help to reduce and stabilize the cost of electricity to O'ahu ratepayers. The Project is estimated to replace roughly 4.7 million gallons of imported oil and in the first year will produce electricity at a cost approximately 31% lower than HECO's October 2013 on-peak avoided cost of 22.697 cents per kWh. These estimated savings projections were provided by HECO as part of HECO's request to the Public Utilities Commission to approve contract negotiations. Furthermore, the Ho'ohana Project will produce approximately 46,000 MWh of 100% clean, renewable energy over the course of the Project, thus avoiding an estimated 46,000 tons of carbon dioxide that would otherwise be released into the atmosphere by burning fossil fuels. This carbon reduction is equivalent to removing approximately 8,100 cars from O'ahu's roads during the life of the Project. The power generated from the solar farm will be enough to support approximately 7,000 homes.

B. POWER FROM THE HO'OHANA SOLAR FARM WILL NOT PREVENT CONNECTIONS FOR INDIVIDUAL RESIDENTIAL ROOF-TOP SOLAR TO THE HECO GRID

Developing a solar farm on Parcel 52 will not inhibit or restrict HECO's ability to accept PV power from individual homes and businesses that also wish to use solar energy. Residential and commercial PV systems connect to the HECO grid at a distribution level of 12 kilovolts ("kV"). In contrast, the Ho'ohana solar Project will connect to the grid via different lines at a transmission level of 46kV. The 46kV connection is the same as what HECO uses to bring power from its existing fossil fuel power plants. HECO determines the ability to accept additional residential systems based on the existing amount of renewable energy on the 12 kV utility line to which the homeowner's residence is connected. In other words, the Ho'ohana Project will not prevent individual PV systems from connecting to the grid because the connection point is different. See Successor Petitioner's Exhibit 8 (graphic showing Ho'ohana vs. residential interconnection to the HECO grid); see also Nanakuli-Maili Neighborhood Board

No. 36 Meeting Minutes dated Feb. 18, 2014,

<https://www1.honolulu.gov/nco/nb36/14/36febmin.htm> (“Green energy will not limit distribution circuit availability for residential and commercial customers.”).

Additionally, when the total amount of solar energy generated from residential, commercial and utility-scale systems in any area exceeds what can be absorbed by the HECO grid, the utility-scale projects are temporarily curtailed by HECO. Thus, when necessary, the utility-scale sources will be made to stop generating power, while the residential and commercial PV systems will be allowed to continue generating power. HECO requires utility-scale projects to include Supervisory Control and Data Acquisition Systems ("SCADA") that allow HECO to remotely disconnect or to remotely curtail electricity generation. Residential and commercial installations less than or equal to 1,000 kW (ac) do not require SCADA and thus HECO cannot remotely curtail these systems. Thus, the utility-scale power production will be reduced first, preserving residential and commercial PV systems' ability to remain in generation. Unlike utility-scale power, which can be curtailed, there is no mechanism that allows HECO to remotely curtail the amount of power produced by individual residences or businesses.

C. PARTICULARS OF THE HO‘OHANA SOLAR PROJECT

The site for the proposed solar farm by Ho‘ohana Solar (the "**Project**") will be in Kunia, in the district of ‘Ewa on the Island of O‘ahu. The Project will be located approximately two (2) miles off the H-1 Interstate Freeway, just north of the Royal Kunia Country Club, and east of Kunia Road. The character of the surrounding properties include active and fallow agricultural uses and a State agricultural park to the north and west, vacant military and federal zoned land to the east, and the proposed Royal Kuna Phase II, Increments 1 and 2 development located to the southwest. The Project will be sited on approximately 124 acres of Parcel 52's 161.023 acres, on the elevated portion of the site outside any floodplain or drainage areas. Parcel 52 is an excellent site for a solar farm due to the proximity of an existing interconnection with HECO. Relocation of the utility line for the Project is proposed within the boundaries of Parcel 52 and may include moving the line to the north and west perimeters of Parcel 52 to allow for a more efficient (i.e., smaller footprint) layout of the PV system and to minimize the shadows that would impact solar energy production. See Successor Petitioner's Exhibit 9 (Electrical Site Plan).

Ho‘ohana intends to employ 310 Watt QPRO-L photovoltaic ("PV") modules manufactured by Q CELLS or a similar type of module. See Successor Petitioner's Exhibit 10

(photograph of the PV modules). Each PV panel measures approximately 39 inches wide and 77 inches long. The modules are designed to absorb as much solar energy as possible, and therefore create minimum to no glare. Approximately twenty-five percent (25%) of Parcel 52 (approximately 40 acres) will be directly covered by the PV modules. See **Successor Petitioner's Exhibit 9** (Electrical Site Plan). The PV modules for the Ho‘ohana Project will be positioned between four (4) feet and a maximum height of nine (9) feet off the ground, and will only reach the maximum height during limited periods of the day when they are rotated to face the morning or late afternoon sun. The panels will face in the southerly direction and will be dark in color. The area beneath the modules and the spacing between the rows will be open and will allow for rain water infiltration. The solar farm will be 20 MW, comprised of approximately 80,000 modules. The modules will be mounted on a single axis racking system that rotates throughout the day to follow the sun and maximize electricity generation. See **Successor Petitioner's Exhibit 11** (racking system and tracker details schematic). Liquid mineral oil will be used as a coolant for the transformers. The modules and racks will be ground-mounted and are designed to withstand winds of up to 115 miles per hour.

The installation of the solar panels will follow the natural terrain of Parcel 52 but may require some grading to allow elevation adjustments for an efficient PV layout. Based on the GIS contour of Parcel 52, the slope of the property varies from 2% to 15%. Generally, the slope of the portion of Parcel 52 to be used for the Project varies from 2% to 8% with localized areas greater than 5% being leveled. Ho‘ohana plans to do a detailed survey to get the final topographic information and design for the grading, if needed. A detailed grading plan that conforms to the City and County of Honolulu's permitting requirements will be developed. The minimal amount of excavated soils for the underground medium voltage line will remain on site and be distributed. There is an approximately 3 to 5 feet high berm along the western portion of the property that measures roughly 2,000 linear feet that will need to be leveled. As the Project site has been leveled and farmed in the past, the total earthwork quantities for the entire Project are not anticipated to be significant.

The Project site will require leveling of the land for the equipment pads, access driveways and areas within the Substation. There will be sixteen (16) large concrete equipment or building pads located throughout the site. Twelve (12) of those pads will be inverter and medium voltage pads measuring approximately 24 feet by 14 feet. See **Successor Petitioner's**

Exhibit 11 (concrete pad details). There will be one (1) Control Building pad measuring 35 feet by 12 feet, one (1) Operations & Maintenance building pad measuring 30 feet by 30 feet, one (1) night watchman quarters measuring approximately 1,000 square feet, and smaller concrete pads for the Substation equipment. Ho‘ohana is researching alternative structures not requiring a concrete pad for the night watchman quarters, such as post and pier type supports.

The racking system will be supported by posts driven into the ground. The depth of the piles is estimated to be seven (7) feet below grade but will be determined after geotechnical analysis has been completed. No piles will be driven to a depth that could reach the highest historical levels of groundwater. A chain link fence, approximately eight (8) feet high (7 feet tall chain link fence with an additional 1 foot of barbed wire) will surround the Project site. *See **Successor Petitioner's Exhibit 11*** (chain link fence with barbed wire detail schematic). Areas exposed to views and neighboring uses will be planted with a vegetative buffer consisting of landscaping appropriate for the area, which may include bougainvillea, be-still trees and native trees such as ma‘o and naupaka, to greatly minimize the visual impact. Hydroseed with low maintenance grasses will also be used in and around the solar panels array. The grass will be mowed periodically. If weeds become a problem, herbicides approved by the State of Hawai‘i will be applied using best management practices.

Additionally, Ho‘ohana has initiated discussions with the State of Hawai‘i Department of Agriculture and is considering planting cover crops for pollinators in some of the areas of Parcel 52 that will not be used for solar panels. The State of Hawai‘i recently proclaimed June 16 – 22, 2014 "Pollinator Week in Hawai‘i," recognizing the value of crop pollinators, such as bees, butterflies, beetles, ants and flies, to agriculture in Hawai‘i.⁸ Ho‘ohana estimates that 10 to 15 acres may be used to plant cover crops for pollinators. Cover crops for pollinators are intended to benefit farming operations in the area that depend on pollinators. In addition to providing habitat for pollinators, cover crops for pollinators are also known to help to suppress weeds, improve soil, control erosion and ensure a healthy watershed. Ho‘ohana will work with the Department of Agriculture and expert beekeepers to ensure that the bee or other pollinator population is managed so as not to become a nuisance to residents or other land users in the region.

⁸ *See Governor Signs Bills in Support of Agriculture*, GOVERNOR OF THE STATE OF HAWAI‘I (June 19, 2014), <http://governor.hawaii.gov/blog/governor-signs-bills-in-support-of-agriculture/>.

The Project will include twelve (12) Power Stations. See Petitioner's Exhibit 11 (photo of power station). The Power Stations will be located within the Solar Array Field and include the Inverters and medium voltage transformer. See Petitioner's Exhibit 9 (Electrical Site Plan showing location of Power Stations in Solar Array Field). Inverters, rated at 1.67 MW, will be used at the Power Stations to convert the direct current ("dc") electricity from the PV modules to alternating current ("ac"). See Petitioner's Exhibit 11 (inverter schematic). The 12 Power Stations will be interconnected by an underground medium voltage line that feeds into the Substation. The Substation will be located on the northwestern portion of Parcel 52, just east of where Plantation Road intersects with Parcel 52 and the existing HECO utility line. The existing line is proposed for relocation within and along the northern boundary of Parcel 52 to allow for a more efficient PV module layout. See Petitioner's Exhibit 9 (Electrical Site Plan).

At the Substation at the northwest corner of the Project area, the ac electricity will be stepped up with a medium voltage transformer and interconnected to the 46 kV HECO line. The Substation will be approximately 120 feet by 100 feet (or one-quarter of an acre) in size, which represents approximately 0.2% of the Parcel 52. The Substation area will include equipment that reaches approximately twenty (20) feet in height and includes a thirty (30) foot high H-frame structure for the utility line transition point. Ho'ohana Solar is an intermittent renewable energy solar project with no utility scale batteries integrated into the design. Within the Control Building, there will be a small battery system (roughly the size of two or three car batteries) to serve as a back-up power system for data collection. There will also be three (3) 4,000 gallon water tanks and one (1) booster pump located near the night watchman and Operations & Maintenance Building. The water will be used for the night watchman building's potable water needs and for module cleaning purposes. The Substation Area will be surrounded with a nine (9) feet tall fence (8 feet tall chain link fence with an additional 1 foot of barbed wire). See *id.*

The Control Building will measure 35 feet by 12 feet, or about 420 square feet. The Control Building will house the PV plant controls, HECO remote terminal units, and relays and meters. There will also be an Operations and Management Building ("**O&M Building**") on the premises. The O&M Building will be approximately 900 square feet and will be used to store equipment and spare modules and parts. The security watchman residence building will measure approximately 1,000 square feet and includes a monitoring office and security watchmen residence that will be equipped with a septic system and potable water storage tanks. The water

storage tanks will be refilled by truck delivery.

The total building area or lot coverage of the facilities and equipment at the Project site will be approximately 39.25 acres. The setbacks, heights and location of the buildings and equipment accessory to the solar farm will be governed by the conditions of the Conditional Use Permit-Minor issued by the City Department of Planning and Permitting. The Project will be setback approximately 375 feet from the southern border of Parcel 52. The solar farm is projected to sell electricity to HECO for up to thirty (30) years. The performance of the PV panels is expected to decrease over time at a rate of approximately 0.75% per year. At the twenty-five (25) year mark, the PV panels will be producing approximately eighty-one (81%) of the initial related energy output.

The Project will generate approximately 46 million kilowatt hours ("kWh") of electricity per year. This is enough to power approximately 7,000 homes and to supply over two percent (2%) of the generation capacity for the Island of O'ahu. Based on the U.S. Environmental Protection Agency estimates, the Ho'ohana Solar Project will produce enough renewable power to prevent nearly 46,000 tons of carbon emissions annually. This is equivalent to removing over 243,000 cars from Hawai'i's roads over a 30-year period.

D. RELATED PROJECT ELEMENTS

1. Project Site Construction

Site preparation will be relatively minor. Material delivery, site preparation and the installation of the solar panels will take place under the supervision of a highly experienced construction management team. Quality assurance checks will be conducted daily by the construction management team during the entire construction process. Cut and fill of the site will only result in surface level impacts to soils. No run-off is anticipated, and in any event, earthwork will be managed under stormwater management and hydrology mitigation plans. All site work will be done in compliance with all federal, state and municipal laws and requirements. During the construction phase of the Project, Ho'ohana will have a monitoring program to address oil and fuel spills, and best management practices will be established and utilized. After completion of Project construction, no fuel or chemical sources will be utilized within the solar panel array.

2. Traffic Impacts

The Project will have three (3) full-time permanent employees that will work remotely and may not be on site on a daily basis. The Project will provide approximately fifty (50) jobs during construction and will also have seven (7) to (10) temporary positions to support the Project. Other than during the Project construction period, there will be little to no traffic impacts from operations related to the Project.

3. Construction and Operations Timeline

There is urgency to having the Project operational by June 15, 2016 in order for HECO to meet its required interim goal of 40% renewable sources by 2030, as well as for Ho‘ohana to be able to take advantage of the federal investment tax credit that will allow Ho‘ohana to sell the electricity it produces at low prices. If the start of operations is delayed until after June 15, 2016, Ho‘ohana will be in breach of its expected contract with HECO. Furthermore, the federal investment tax credit on which the Project relies expires on December 31, 2016. Therefore, a delay to the start of operations beyond December 31, 2016 will likely result in cancellation of the Project.

Assuming approval of this Motion by the Commission and the Conditional Use Permit by the City and County of Honolulu, Ho‘ohana anticipates that site preparation and construction will begin by the middle of 2015. Construction is estimated to take approximately 9 to 12 months. Once the solar is operational, it will continue to be operated by Ho‘ohana for up to 30 years (not including construction and decommissioning). The actual term of operation will be determined by the Power Purchase Agreement to be negotiated between Ho‘ohana and HECO.

Once the Project is no longer operational (i.e., no longer selling electricity to HECO), the Project site will be decommissioned. Upon decommissioning, all components of the solar farm will be removed and recycled where possible, and the land restored to its original condition. Ho‘ohana estimates that decommissioning the Project site will take approximately four (4) to six (6) months.

4. Project Site and Equipment Maintenance

Maintenance of the solar farm will be simple and straightforward. Ho‘ohana will have its technicians monitor the system's performance 24 hours per day, seven days per week from a remote, offsite location. Ho‘ohana will clean the solar panels at minimum bi-annually (depending upon rainfall) with water that will be trucked onto the property and that may be

stored in the water tanks. However, cleaning will be dictated by the amount of soil buildup on the PV modules and may be more or less frequent than bi-annually. No cleansers or other additives will be needed. The solar farm site will be secured by perimeter fencing, and manned by security/maintenance personnel. Security cameras and motion detecting lights will be distributed along the perimeter of the site. The lights will be mounted on poles no higher than twenty (20) feet high. The lights will normally be off and only turn on at night when motion is sensed. This will protect the solar farm assets, and should also reduce the risks of any illegal dumping that could take place on Parcel 52.

Hanwha Q CELLS provides complete and customizable operations and maintenance services that maximize the performance of PV installations. Hanwha's O&M approach concentrates on a mixture of preventive maintenance, strong analysis of the system performance, and reactive maintenance to ensure safe operations and increased return on investments. The O&M service package for the Project will be designed based on Hanwha's expertise in the subject matter and what has historically worked for projects like this one.

The central operations for O&M are split into three major components: Asset Management, Data Management, and Operations Management. Asset Management consists of contract management, project management, warranty management, and risk management. Operations Management consists of maintenance planning, troubleshooting & diagnostics, operational decision-making, contractor management, and dispatch. Data Management consists of monitoring, production reporting, performance optimization, spares management and reliability metrics.

Hanwha has a separate method of execution for each of the three protocols. For Asset Management, there are clearly defined contract requirements and obligations between the owner, Hanwha Q CELLS, the O&M provider, and local service providers that dictate how unexpected operations or maintenance problems are addressed. For the Monitoring Protocol, an established fault response protocol is used to determine best practice for responding and correcting system errors. Clear procedures are in place to ensure the system is performing as expected and to identify trends, patterns and alarms that indicate otherwise. Finally, a Response Protocol creates a systematic approach to system errors. The protocol establishes clear guidelines for vendor responses, including time allowed to respond to an error, operating procedures, and similar tasks.

5. Access to Parcel 52

Access to the Project site will be along Plantation Road, from Kunia Road over and across TMK No. 9-4-003: 001 to the northern portion of the Parcel 52. *See* **Successor Petitioner's Exhibit 1**. RKL is the fee owner of TMK No. 9-4-003: 001 and has the right to grant Ho'ohana access to Parcel 52 through TMK No. 9-4-003: 001. Other existing farm roads and perimeter access points within the site will provide direct access to the Project areas. No vehicular access ways will be provided within the Solar Array, however there will be a 20-foot wide access road surrounding the Solar Array. *See* **Petitioner's Exhibit 9** (Electrical Site Plan). Row access is limited to foot traffic, landscaping equipment or compact all-terrain vehicles. The City's LUO does not require parking stalls to be provided on site. There will, however, be an unimproved area next to the Substation to be used temporarily as parking for a utility truck. Ho'ohana also expects to occasionally accommodate school buses or other visitors for community outreach and education purposes. Parking for guests will be available. *See id.*

The Project will utilize HECO's existing utility easement. This utility easement may need to be relocated. The current and potential relocation of the utility easement are within Parcel 52's boundaries. Access to the utility easement areas will be provided over existing roads, primarily Plantation Road.

6. Archaeology Studies Done on Parcel 52

Several archaeological surveys have been conducted within the vicinity of Parcel 52. *See* **Successor Petitioner's Exhibit 12**, at 10-14 (AIS for Parcel 52 and Plantation Road). The original final environmental impact statement ("**FEIS**") for the Royal Kunia Phase II Project (which included the proposed development of Parcel 52 as Increment 3) was accepted in 1989 and covered TMK (1) 9-4-02: portion of 1, and (1) 9-4-03: portion of 1 and 9. The letter dated November 10, 1988 from archaeologist Joseph Kennedy of Archaeological Consultants of Hawaii to William Wanket ("**Kennedy Report**") describes the archaeological walk-through survey of 670 acres, which likely covered the Project site as this report was used as the basis for both the 1993 Order and the 1996 Order for Royal Kunia Phase II. The letter states that the entire area was covered with sugarcane. As a result, the archaeologist opined that "the prospect of any remaining archaeological site was judged to be remote" and noted that there were no above-ground indicators of past uses on the property (aside from sugar cane crops).

The 1996s FEA and FONSI determination for Royal Kunia Phase II, Increment 3 also discusses the 1988 Kennedy Report and 1989 letter from DLNR stating that development of the

entire Project would have "no effect" on historic sites, as none had been identified by the survey, and confirms the Kennedy Report as the only archaeological survey done for the area. Condition No. 17 of the 1996 Order provides that if any archaeological or historic remains are found on the property during construction, all construction activities must stop and the State Historic Preservation Division's ("SHPD") must be notified.

In June 2014, Ho'ohana, through Group 70, engaged Scientific Consultant Services, Inc. ("SCS") to prepare an archaeological inventory survey ("AIS") of Parcel 52 and Plantation Road, the Project Area. *See id.* SCS submitted the AIS to SHPD on July 30, 2014. *See id.* The AIS concluded that there are no sites recommended for preservation and, with the data recovery conducted for the AIS, no further archaeological work was recommended. *Id.* at 53. The fieldwork was conducted by SCS archaeologists Guerin Tome, B.A. and Elizabeth Pestana, B.A. under the direction of Principal Investigator Robert L. Spear, Ph.D. The AIS report was prepared by Charmaine Wong, M.A., and Robert L. Spear, Ph.D. The survey consisted of a surface survey and limited subsurface testing that identified two (2) SCS temporary archaeological and cultural sites (TS-1 and TS-2). *Id.* at 1. SHPD determined that TS-1 lacked sufficient integrity to be assigned a State Site number. *Id.* SHPD has assigned State Site number Site 50-80-08-7671 to TS-2, a historic plantation road complex consisting of three features). SCS also found three pieces of pre-Contact cultural material. *Id.* SCS also conducted six (6) Shovel Probes ("SP"), SP-1 through SP-6. *Id.* at 17. SCS concluded that the Project Area "has been mechanically impacted and subject to modern modifications due to agricultural activity." *Id.*

SCS TS-1 consists of artifact scatter, consisting of "historic era fragments of various man-made objects such as porcelain insulators, ceramic dish sherds, colored bottle and vessel glass, and metal buckle. . . . There are modern materials such as quarried basalt, sparse limestone gravel, chunks [of] broken concrete, thin black plastic erosion protection sheeting, irrigation tubing, and PVC fragments." *Id.* at 20. Site 50-80-08-7671 (SCS TS-2) consists of three (3) features: Feature 1 – a concrete and basalt rock alignment measuring approximately 1.5 meters long; Feature 2 – a linear feature comprised of a mortar and basalt block wall, a concrete pipe, and angular basalt cobbles and boulders; and Feature 3 – portions of a Historic plantation road and former railway route. *Id.* at 20, 30. In total, fifty-two (52) artifacts were analyzed from the survey of Parcel 52. *Id.* at 49. Twenty (20) of the artifacts analyzed were from the SCS T-1 site

and found to be from the Historic and Modern periods; seven (7) ferrous metal and railroad spikes were collected from SCS TS-2; three (3) pre-Contact artifacts were found (a basalt adze perform and two basalt flakes with polished facets; twenty-two (22) cultural materials were collected from SP-5 and SP-6 and found to be from the Historic and Modern periods. *Id.*

SCS assessed the significance of both sites under HAR § 13-275-6 and found both sites to be significant under Criteria D, attributable to Historic land usage. SCS TS-1, artifact scatter, is associated with habitation; State Site 50-80-08-7671, an alignment and wall, are attributable to water diversion from past use of the property for sugarcane farming. *Id.* at 53. No further archaeological work has been recommended by SCS. *Id.*

7. Botany Information for Parcel 52

Ho‘ohana has retained AECOS, Inc. to complete a natural resources survey of Parcel 52. The final survey is in the process of being completed and will be filed with the Commission as a supplemental exhibit. Based on AECOS's draft survey, there are no threatened or endangered species, or federally-declared critical habitat, located on or within the Project Area. Parcel 52 is composed of land formerly and currently used for agricultural purposes.

No botanical resources of interest or concern were located on Parcel 52. The vegetation over most of Parcel 52 has been controlled by past and present land use. The majority of Parcel 52 has little vegetation. The remaining portions of Parcel 52 are covered with a weedy growth of grasses (Guinea grass), scattered trees (koa haole and silk oak), scrubs, and other herbaceous plants. Two native plants were located on the property, the ‘Uhaloa and ‘A‘ali‘i plants. No wetlands or streams are located in the Project Area.

A total of 615 birds representing 22 species were observed on Parcel 52. All 22 species are non-native to Hawai‘i. Four mammalian species were detected on Parcel 52: dog, mongoose, cat, and pig.

8. Community and Agency Outreach

Ho‘ohana has informed the community and the relevant State agencies about the proposed use of Parcel 52 as a solar farm. Community outreach for the Ho‘ohana Project began in March 2014 and will continue through the conclusion of the build out of the solar farm. Ho‘ohana will also be partnering with the community to provide educational opportunities for educators and children on O‘ahu, which will be an integral strategy once operational.

The following efforts to inform and solicit feedback from the community leaders, stakeholders, neighbors, state agencies and administrators have been or are in the process of being conducted. This includes the State Executive office, the City Executive office, area Senator, area Representative, Councilman, Senate Energy and Environment Chair, and House Energy and Environmental Protection Chair. In addition, Project principals have notified and consulted with State agencies such as the Department of Business, Economic Development and Tourism, the Energy Office, and the Department of Agriculture.

Representatives of adjacent communities include the Royal Kunia Association, Village Park Association, Waipahu Neighborhood Board and neighbors and businesses around the area such as the local farmers, Hawai'i Agricultural Research Center, Royal Kunia Country Club, Chambers of Commerce, developers of future planned increments of Royal Kunia, and school principals, all of which will be briefed on the Project details. Feedback thus far has been positive and Ho'ohana has received a number of letters in support of the Project. *See **Successor Petitioner's Exhibit 13A - 13C*** (Letters of support for the Ho'ohana Solar Project).

At these community and governmental agency meetings, Ho'ohana has made its best efforts to address the community's concerns that the Project will prevent residential users from installing PV systems on their homes. As discussed, Ho'ohana will not compete for capacity with residential rooftop solar circuits because the Project will connect to the electric grid through a dedicated high voltage 46 kV transmission line, while residential rooftop solar units connect to a different, lower voltage distribution line at 12 kV.

In addition, efforts are underway to provide perspectives of future views of Ho'ohana from the various parts of the surrounding communities. Ho'ohana engaged Group 70 International, Inc. to study the view of the proposed solar farm site at Parcel 52 from surrounding neighborhoods. Group 70 used existing utility poles in the area, which range from 110 feet tall to 140 feet tall, as a gauge. At their greatest height of 9 feet, the PV modules will stand at 1/12 to 1/16 the height of the utility poles. *See **Successor Petitioner's Exhibit 14*** (photos of view study). View studies from immediate neighborhoods show no to very little view impacts due to the topography. *See id.* Setbacks from the Property line, fencing and vegetation planting around the Project will minimize visual impacts.

9. No Greater Environmental Impacts

Based on the foregoing, the proposed utility-scale solar farm by Ho'ohana will not create

any greater environmental impacts than the residential development originally proposed on Parcel 52 under the plans for Royal Kunia Phase II, Increment 3.

VII. COMMISSION CONDITION NO. 21 REQUIRES PRIOR APPROVAL FROM THE COMMISSION PRIOR TO ALTERING ANY OWNERSHIP INTEREST IN THE PROPERTY OR PROJECT COVERED BY THE PETITION

Condition No. 21 imposed in Docket No. A92-683 states:

21. In reliance upon Petitioner's [Halekua] representation that it will develop the Project [Royal Kunia Phase II] on his own and in its entirety, the Petitioner shall obtain the prior approval from the Land Use Commission before it can sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property or Project covered by the approved Petition.

Petitioner shall request the prior approval from the Land Use Commission to alter the ownership interest in the Property or Project by filing a motion to request approval to alter ownership interest and supporting affidavits that will provide relevant information, including without limitation, (1) the name(s) and address(es) of the prospective owner(s) or real party(ies) in interest; (2) the reason for the alteration of ownership interest; (3) any information related to any proposed change in the representations made by Petitioner to the Commission and in its Petition filed pursuant to section 15-15-50, Hawai'i Administrative Rules, including without limitation any information pertaining to the financial capabilities of the prospective owner(s) to proceed with the Project as set forth in section 15-15-50(8); and, (4) a written acknowledgment and affirmation of the prospective owner(s) that the prospective owner(s) shall comply with all of the conditions of this Order.

The standard condition typically found in the Commission's orders provides that "Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Petition Area, at any time prior to completion of development of the Petition Area."

RKL intends to enter into a lease of the entire 161.023 acres of TMK (1) 9-4-002: 052, which includes all of the Robinson Property reclassified into the Urban District by the Commission in Docket No. A92-683. The terms of the lease between RKL and Ho'ohana will depend on the term of the Power Purchase Agreement with HECO. Pursuant to Condition No.

21, the Commission's prior approval of the proposed lease would be required.

By letter dated July 31, 2014, Ho'ohana has requested that the Commission's Executive Officer determine that Condition No. 21 has been fully satisfied and that the owners of the properties in the Petition Area no longer require prior approval by the Commission to transfer any ownership interest in the Petition Area. *See* **Successor Petitioner's Exhibit 16** (Letter from Steven S.C. Lim, Carlsmith Ball LLP, to Daniel Orodener, Executive Officer, Land Use Commission, State of Hawai'i, dated July 31, 2014). Rather, Ho'ohana requests that only notification to the Commission of changes in any property interests be required, pursuant to the standard condition normally imposed by the Commission.

If that administrative determination is not made, Ho'ohana hereby requests that the Commission approve the proposed lease of Parcel 52 between RKL and Ho'ohana to allow the solar farm development.

Ho'ohana further asks, pursuant to Condition No. 23, which allows the Commission to fully or partially release any of these conditions for all or any portion of the Petition Area, that the Commission release the Petition Area from Condition No. 21, the requirement to obtain the Commission's prior approval to change the ownership interest of the Petition Area, because Condition No. 21 is a unique condition and was intended to apply only to the original Petitioner in this Docket, Halekua, and the Condition has already been satisfied. *See id.*

VIII. CONDITION 20 REQUIRES THAT THE PROPERTY BE DEVELOPED IN SUBSTANTIAL COMPLIANCE WITH THE REPRESENTATIONS MADE TO THE COMMISSION

Condition No. 20 of the 1996 Order requires the petitioner of the boundary amendment and petitioner's successors in interest to "develop the Property in substantial compliance with the representations made to the Commission." The Commission determined that the proposed Royal Kunia Phase II development is consistent with the Hawai'i State Plan, Chapter 226 H.R.S. because it: (i) provides a significant inventory of affordable housing to moderate income groups; (ii) preserves a supply of high quality and well-located agricultural land that will be available to small farmers; and (iii) provides necessary support facilities and infrastructure to existing and surrounding communities. 1996 Order, FOF 220, 223, 224, and 230, at 57-59.

As proposed in the 1996 Order and the 1996 Development Plan, RKL remains committed

to development of Increment 3 for approximately 580 residential units on Parcel 52. RKL therefore supports and consents to Ho‘ohana seeking an order from the Commission stating that the proposed *interim* use of Parcel 52 as a solar farm is consistent with the representations made to the Commission. *See* **Successor Petitioner's Exhibit 7** (RKL's consent to the Motion to Amend).

Successor Petitioner acknowledges the continuing validity of the Commission's findings in the 1996 Order that the Royal Kunia Phase II Project is consistent with the Hawai‘i State Plan, Chapter 226, H.R.S. *See* 1996 Order, FOF 220, at 57-58. Urban development of Parcel 52 is recognized as being an appropriate use of the property, particularly development that includes affordable residential housing options to address O‘ahu's housing demand, and commercial uses to provide services to residents that do not require a commute into Honolulu's urban core. Parcel 52 is within the Urban Community Boundary established under the 2002 Central O‘ahu Sustainable Communities Plan that designates the area that Parcel 52 is located in for Residential, Low Density Apartments, Agriculture, and Preservation uses. *See* **Successor Petitioner's Exhibit 2C** (Central O‘ahu Sustainable Communities Plan).

Pending the Commission's approval of this Motion, Parcel 52 will be used as a utility-scale solar farm for an interim time not to exceed an operational period of 30 years (not including construction and decommissioning). Ho‘ohana estimates that permitting and construction of the Project will take 9 to 12 months. Decommissioning the Project will take approximately 6 months.

Ho‘ohana requests the Commission's approval of a 30-year operational time period for three reasons:

- a. Industry standards are moving toward a term of 30 years. When Ho‘ohana initially answered HECO’s RFP in 2013, HECO had requested projects providing power within a 20-25 year time period. In recent discussions with Ho‘ohana, HECO has requested that the Project consider extended operations for 30 years, rather than 20-25. The evolving industry standard (e.g., contract terms, estimated useful life of the Project, etc.) is to plan projects with a life of 30 years. The power purchase agreement between Ho‘ohana and HECO could therefore be for a period of 30 years. Ho‘ohana's proposed lease of Parcel 52 is for 20 years with two 5-year

options to extend, totaling 30 years. Furthermore, financing sources for utility-scale solar farm projects have started using a project useful life span of 30 years.

If the 30 year operational time period is approved by the Commission, RKL will extend Ho'ohana's lease of Parcel 52 to reflect the 30 year operational period, as well as the time necessary to construct and decommission the Project. Therefore, a 30 year operational time period for this Project is supported both by industry standards and HECO's needs.

- b. Royal Kunia Phase II, Increments 1 and 2. Canpartners and Stanford Carr Development ("SCD") estimate that completion of Royal Kunia Phase II, Increments 1 and 2 will take 15 years *or more* to complete. As envisioned by the Development Plan for Increment 3, *see **Successor Petitioner's Exhibit 4*** § 2.2.3, at 15, Increment 3 was always planned to be developed after Increments 1 and 2, and plans to utilize the infrastructure built as a part of the completion of Increments 1 and 2.

and

- c. A 30-year project will yield better value for Hawai'i ratepayers. Hawai'i ratepayers will realize a better value with a longer term because the fixed infrastructure costs of the Project will be spread over a longer period. The Project will continue to generate renewable and less expensive energy and will help HECO to stabilize energy costs.

Ho'ohana is sensitive to the Commission's requirement that Parcel 52 be developed in substantial compliance with the representations approved by the Commission in the 1996 Order. Therefore, Ho'ohana has obtained RKL's consent and acknowledgement reconfirming that Parcel 52 will be developed as Increment 3, as represented to the Commission. Because Increment 1 is not yet complete and Increment 2 is estimated to take some 15 or more years to complete, Ho'ohana believes that the proposed interim use of Parcel 52 is the best use of the Property until such a time that Increments 1 and 2 are fully developed. Therefore, Ho'ohana requests that the Commission approve the use of Parcel 52 as a solar farm for the interim period before the land is developed for residential use as Royal Kunia Phase II, Increment 3.

The interim use of Parcel 52 as a solar farm is not a change in the original proposed development of Royal Kunia, Phase II; it is a new proposal for a *temporary* use. Furthermore, development of the solar farm on Parcel 52 will not adversely affect the interests or entitlements of the owners of the other properties in the Petition Area. The developers of Royal Kunia Phase II, Increments 1 and 2 will be able to proceed independently as planned. Unlike the residential development proposed for Increment 3, the interim solar farm use of Parcel 52 may proceed without the infrastructure built by the developers of Increments 1 and 2, and therefore will not be constrained by the timing of development of Increments 1 and 2. Permitting the interim solar farm use on Parcel 52 at this time allows for a viable use of the land that will benefit both the surrounding communities and electricity rate payers on O‘ahu as a whole, than if the land was sit idle while waiting for the development of Increments 1 and 2. Similar to the current agricultural uses on Parcel 52, allowing this interim solar farm use is consistent with the right of landowners to make productive use of their lands during the period before development of the land for its ultimate intended residential use.

IX. STATUS OF REMAINING CONDITIONS

On January 14, 2014, Halekua-Kunia, LLC filed the *Status Report on the Applicant’s Compliance with Conditions of Amended Decision and Order (Docket No. A-92-683, October 1, 1996)* ("**2014 Status Report**"); detailing Halekua-Kunia, LLC's status of compliance with the 25 conditions imposed by the 1996 Order. With regards to the applicability of the remaining conditions to proposed solar farm, Ho‘ohana asserts that:

Condition No. 1, requiring Petitioner to provide affordable housing, does not apply to the proposed use. Because the proposed Project will not include the construction of any residential units, this condition is not applicable at this time.

Condition Nos. 2, 3, and 4, requiring Petitioner to fund, design, and construct its pro rata share of the local and regional transportation improvements driven by the proposed development of Royal Kunia Phase II, to appoint a transportation manager, and to monitor traffic attributable to the Royal Kunia Phase II project, do not apply to the proposed use. Because the proposed solar farm will have only negligible traffic impacts, these conditions are not applicable at this time.

Condition No. 5, requiring Petitioner to work with the City and County of Honolulu (the

"County") Department of Public Works and the State of Hawai'i Department of Health ("DOH") to conform to the program goals of the Integrated Solid Waste Management Act, does not apply to the proposed use. Because the proposed solar farm will not require a solid waste management system, this condition is not applicable at this time.

Condition No. 6, requiring the Petitioner to contribute its pro rata share to fund, develop, and/or construct school facilities, does not apply to the proposed use. Because the proposed use does not include the construction of any residential units, this condition is not applicable.

Condition No. 7 requires coordination with the Board of Water Supply and DLNR to obtain the required water for the project, or, if sufficient water is not available, requiring petitioner to fund and develop its own source, transmission, and storage facilities. As discussed above, Ho'ohana will truck water onto Parcel 52 and store the water in three (3) 4,000 gallon water tanks.

Condition No. 8, requiring Petitioner to fund its pro rata share of civil defense measures, does not apply to the proposed use. Because the proposed use does not include the construction of any residential units, this condition is not applicable.

Condition Nos. 9 and 10, requiring Petitioner to erect a chain link fence along the eastern boundary of the Petition Area and to maintain the land within 20 feet of the eastern boundary free of vegetation taller than eight inches high, does not apply to the proposed use. This condition was likely imposed as a safety measure for the proposed residential units to be constructed as a part of the Royal Kunia Phase II project. Because the proposed use will not involve the construction of any residential units, this condition is not applicable. As discussed above, however, Ho'ohana plans to erect an 8 feet tall fence around the perimeter of the proposed solar farm. Vegetative buffers will be planted where needed.

Condition No. 11 requires Petitioner to coordinate with the DOH and the County to establish a system to prevent and contain spills of chemicals. As discussed above, no hazardous chemicals will be used as a part of the proposed solar farm. Therefore, this condition does not apply to the proposed use.

Condition No. 12 requires Petitioner to fund and construct adequate wastewater treatment, transmission, and disposal facilities. Because no residential units will be constructed as a part of the proposed use, this condition does not apply. As discussed above, however, the security watchman residence will be equipped with a septic system.

Condition No. 13 requires Petition to implement effective soil erosion and dust control measures both during and after construction. Ho‘ohana will use best management practices to control dust and erosion during construction of the proposed solar farm. Erosion and dust will be minimal once construction of the solar farm is completed and during operation of the solar farm.

Condition No. 14, requiring Petitioner to participate in an air quality monitoring program, does not apply to the proposed use. There will be no emissions from the proposed solar farm and the operation of the solar farm will produce only minimal vehicle trips.

Condition No. 15, requiring Petitioner to notify owners and occupants within the Petition Area of the potential odor or other nuisances caused by surrounding agricultural activities, does not apply to the proposed use because there will be no construction of residential units.

Condition No. 16, requiring Petitioner to provide drainage improvements, does not apply to the proposed use. The Project will be located outside of any floodplain or drainage areas.

Condition No. 17 requires Petitioner to cease construction if any archaeological resources are discovered on the property. Ho‘ohana will comply with this condition and coordinate with SHPD should any archaeological resources be found during construction of the proposed solar farm.

Condition No. 18, requiring Petitioner to obtain development plan approvals within five years from the date of the 1996 Order, has been fully met and therefore does not apply to the proposed use. *See* 2014 Status Report, at 7.

Condition No. 19, requiring Petitioner to convey lands to the State of Hawai‘i to provide for an agricultural park has been met. *See id.*

Condition No. 22, requiring Petitioner to provide annual status reports to the Commission, has been completed for the year 2014. *See id.*

Condition Nos. 24 and 25, requiring Petitioner to record the conditions imposed by the Commission with the Bureau of Conveyances. To date, these conditions have been fully met. Ho‘ohana will continue to comply with these conditions should the Commission impose any other conditions in Docket A92-683.

X. APPLICABLE STATUTES, ORDINANCES AND RULES

A. USE OF THE PETITION AREA AS A SOLAR FARM IS PERMITTED BY COUNTY LAW

The proposed solar farm development is permitted within the State Land Use Urban District because it is allowed under the existing zoning. HAR §15-15-24 provides:

Any and all uses permitted by the counties either by ordinance or rules may be allowed within this [the "U" Urban] district, subject to any conditions imposed by the commission pursuant to section 205-4(g), HRS.

HAR §15-15-24.

The City and County of Honolulu zoning designations of the Petition Area are: AG-1 (Restricted Agricultural), A-1 (Low-Density Apartment), B-1 (Neighborhood Business), I-1 (Limited Industrial), P-2 (General Preservation), and R-5 (Residential). See **Successor Petitioner's Exhibit 2B** (map of Petition Area with county zoning designations). The proposed solar farm is a "utility installation" as defined under the Honolulu Land Use Ordinance, Revised Ordinances of Honolulu, Chapter 21 ("LUO"). Under Sec. 21-10.1 of the LUO, a "utility installation" is defined as "uses or structures, including all facilities, devices, equipment, or transmission lines, used directly in the distribution of utility services, such as water, gas, electricity, telecommunications other than broadcasting antennas, and refuse collection other than facilities included under waste disposal and processing." Utility installations also include accessory uses and structures directly associated with the distribution of the utility service.

According to LUC Table 21-3 (Master Use Table), the 20 MW solar farm is a Type B utility installation. Type B utility installations are permitted uses in all zoning districts in Honolulu, including the AG-1 district. A Conditional Use Permit/minor (no public hearing required) is required for a Type B utility installation. See LUO Table 21-3 (Master Use Table), portion of which is enclosed as **Successor Petitioner's Exhibit 2D**. As such, the proposed solar farm is permitted under County law and therefore allowed within the SLU Urban District.

Ho'ohana has engaged Group 70 International to process the Conditional Use Permit/minor that is being concurrently prepared with this Motion.

- B. **SOLAR FARM IS CONSISTENT WITH THE HAWAII STATE PLAN AND DBEDT'S RENEWABLE ENERGY GOALS**
- i. **The Hawai'i State Plan**

H.R.S. section 205-16 provides that "No amendment to any land use district boundary *nor any other action by the land use commission* shall be adopted unless such amendment or

other action conforms to the Hawai'i state plan." The use of Parcel 52 as a solar farm is consistent with applicable goals, objectives and policies of the Hawai'i State Plan, H.R.S. Chapter 226 ("HSP").

The HSP is a comprehensive guide for the future long-range development of the State of Hawai'i. Among other things, the HSP's purposes are to identify the goals, objectives, policies, and priorities for the State of Hawai'i, provide a basis for allocating limited resources, and improve coordination between Federal, State and County agencies. The three themes underlying the HSP are: (1) individual and family self-sufficiency; (2) social and economic mobility; and (3) community or social well-being. See H.R.S. § 226-3.

The HSP also provides numerous State goals and specific objectives and policies to achieve those goals. The State goals include a strong, viable, stable and diverse economy, the development of physical environments that are beautiful, clean and unique, and that enhance the mental and physical well-being of the residents, and the physical, social, and economic well-being for the people of Hawai'i that nourishes a sense of community responsibility and participation. See H.R.S. § 226-4. The use of Parcel 52 as a solar farm will further the goals of the HSP. In particular, the proposed solar farm conforms to the following objectives and policies of the HSP:

ii. H.R.S. § 226-18: Objectives and Policies for Facility Systems – Energy

H.R.S. section 226-18 describes a number of objectives and policies energy facility systems.⁹ The Ho'ohana solar farm proposed for Parcel 52 will satisfy a number of these

⁹ H.R.S. section 226-18 provides: (a) *Planning for the State's facility systems with regard to energy shall be directed toward the achievement of the following objectives, giving due consideration to all:*
(a)(1) *Dependable, efficient, and economical statewide energy systems capable of supporting the needs of the people;*
(a)(2) *Increased energy self-sufficiency where the ratio of indigenous to imported energy use is increased;*
(a)(3) *Greater energy security and diversification in the face of threats to Hawaii's energy supplies and systems;*
and
(a)(4) *Reduction, avoidance, or sequestration of greenhouse gas emissions from energy supply and use.*
(b) *To achieve the energy objectives, it shall be the policy of this State to ensure the short- and long-term provision of adequate, reasonably priced, and dependable energy services to accommodate demand.*
(c) *To further achieve the energy objectives, it shall be the policy of this State to:*
(c)(1) *Support research and development as well as promote the use of renewable energy sources;*
(c)(2) *Ensure that the combination of energy supplies and energy-saving systems is sufficient to support the demands of growth;*
(c) (3) *Base decisions of least-cost supply-side and demand-side energy resource options on a comparison of their total costs and benefits when a least-cost is determined by a reasonably comprehensive, quantitative, and qualitative*

objectives and policies, some of which include: (1) helping the state to obtain greater energy security and self-sufficiency by providing an independent and renewable source of energy; (2) reducing greenhouse gas emissions; (3) promoting the use of renewable energy sources; (4) ensuring that the combination of energy are sufficient to support the demands of growth; and (5) promoting a cost-effective method of energy.

iii. H.R.S. § 226-103(a) - Economic Priority Guidelines

The priority guideline set forth in H.R.S. section 226-103(a) is to stimulate economic growth and encourage business expansion and development to provide jobs and to achieve a stable and diversified economy. Although the solar farm Project will not be a significant job creator, it clearly supports the State's priority guidelines with respect to encouraging the development of clean industries.

HRS § 226-103(a)(8). Provide public incentives and encourage private initiative to develop and attract industries which promise long-term growth potentials and which have the following characteristics:

(A) An industry that can take advantage of Hawaii's unique location and available physical and human resources.

(B) A clean industry that would have minimal adverse effects on Hawaii's environment.

iii. H.R.S. § 226-103(f) – Energy Use and Development Guidelines

The proposed 20 MW solar farm on Parcel 52, which will provide enough renewable energy to power approximately 7,000 homes, the equivalent of removing approximately 8,100 cars from Hawai'i's roads every year, is also consistent with the State's priority guideline to

accounting of their long-term, direct and indirect economic, environmental, social, cultural, and public health costs and benefits;

(c)(4) Promote all cost-effective conservation of power and fuel supplies through measures, including:

(A) Development of cost-effective demand-side management programs;

(B) Education; and

(C) Adoption of energy-efficient practices and technologies;

(c)(5) Ensure, to the extent that new supply-side resources are needed, that the development or expansion of energy systems uses the least-cost energy supply option and maximizes efficient technologies;

(c)(8) Support actions that reduce, avoid, or sequester greenhouse gases in utility, transportation, and industrial sector applications;

(c)(10) Provide priority handling and processing for all state and county permits required for renewable energy projects.

encourage the development and commercialization of renewable energy sources.

HRS §226-103(f). Priority guidelines for energy use and development:

- (1) Encourage the development, demonstration, and commercialization of renewable energy sources.*
- (2) Initiate, maintain, and improve energy conservation programs aimed at reducing energy waste and increasing public awareness of the need to conserve energy.*
- (3) Provide incentives to encourage the use of energy conserving technology in residential, industrial, and other buildings.*
- (4) Encourage the development and use of energy conserving and cost-efficient transportation systems.*

2. DBEDT Policy

The State of Hawai'i Department of Business, Economic Development and Tourism Energy ("**DBEDT**") Energy Policy's goal is to maximize the development of cost effective investments in clean energy production to ensure the State's energy future. DBEDT's specific objectives are to (1) diversify the State's energy portfolio; (2) connect the islands through integrated, modernized grids; (3) balance technical, economic, environmental, and cultural considerations; (4) use Hawai'i's unique attributes to launch innovative renewable energy technology; and (5) allow the market to drive demand.

The Ho'ohana Project contributes to all five of DBEDT's objectives. First, the Project provides the State with another alternative to energy production that uses 100% clean, natural, and renewable energy and does not use fossil fuels or emit greenhouse gases. Second, the Project will help to stabilize electricity rates for O'ahu ratepayers. Third, the Project allows the State, and ultimately the public as a whole, to benefit from the private resources that will be invested in finding a cost-effective and long-term solution to Hawai'i's energy needs. Fourth, the Project provides yet another opportunity for the State to be a leader in renewable energy technology. Lastly, the Project contributes to the State's goals by providing the necessary private funding for such projects that are costly on the front end but that will ultimately save the State and the people of Hawai'i money in the long-run, help to preserve our natural resources, and give the State the foundation to become energy self-sufficient.

C. SOLAR FARM IS CONSISTENT WITH THE CENTRAL OAHU SUSTAINABLE COMMUNITIES PLAN

The Project is located in Kunia, in the District of 'Ewa on the Island of O'ahu and is designated for residential, low-density apartment and agricultural uses by the Central O'ahu Sustainable Communities Plan ("COSCP"). See Successor Petitioner's Exhibit 2C (Central O'ahu Sustainable Communities Plan map). The intent of the COSCP is to provide for the orderly and coordinated public and private sector development of the communities in Central O'ahu. The Central O'ahu area has been designated as an urban fringe area, meant to absorb spillover demand from other urban fringe areas (i.e., East Honolulu, Windward, North Shore, and Wai'anae) to meet O'ahu's housing needs. Central O'ahu has more specifically been designated for development of a variety of housing types in master planned residential communities, as well as limited industrial and commercial activities to accommodate those residences. The COSCP anticipates that by the year 2025, over 11,000 new housing units will be built.

While the COSCP's main objective is to provide for the sustainable development of Central O'ahu, the COSCP emphasizes that the region grow moderately and that housing be developed as needed. The interim use of Parcel 52 as a solar farm is consistent with the COSCP's goal of moderate development and providing the supply of residential homes when it is actually needed. In the meantime, the solar farm allows a use of the land that is beneficial to the community and the State, and does not leave the land idle.

The COSCP also aspires to have an open space network. Throughout the COSCP, the term "sustainable" is consistently emphasized. The Project is a low-impact, environmentally friendly use of Parcel 52 that would allow for some open space to be preserved in Central O'ahu. The solar farm will also provide the Central O'ahu region and the State with energy that is both green and *sustainable*. Other goals of the COSCP include preserving natural resources and prime agricultural lands. In the long-run, the Project will contribute to those objectives because the Project will not use any fossil fuels and will not generate any greenhouse gases.

D. SOLAR FARM IS CONSISTENT WITH "A NEW DAY IN HAWAII"

The State of Hawai'i has issued a comprehensive plan to invest in education and rebuilding of Hawai'i's economy to sustain Hawai'i for future generations and to restore public confidence (entitled *A New Day In Hawai'i*, hereinafter referred to as the "**Plan**"). The Plan

describes ten areas of focus with supporting principles and action strategies. Among those focus areas the proposed Ho‘ohana Solar Project fulfills the areas of economy, education, energy, environment and natural resources, and technology and innovation. Ho‘ohana has sought a proposal from a Department of Education-approved entity that provides teacher training for STEM programs (science, technology, engineering, and math) in the area of renewable energy. Ho‘ohana may support the implementation of this program in schools in the Waipahu area.

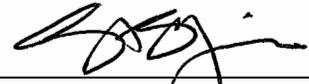
The 20 MW solar Project supports the State's economic goals of energy self-sufficiency and self-reliance by creating affordable and environmentally sustainable renewable energy using one of the State's most abundant resources. "Hawaii's most important economic enterprise right now is to pursue energy independence." Plan, at 18. The solar farm will also help to achieve the State's goal of supporting high-tech companies. *Id.* at 20. By supplying solar power to HECO, the solar farm is consistent with the principle of aligning the success of HECO with Hawai'i's clean energy goals. *Id.* at 19.

XI. SUMMARY AND CONCLUSION

For the reasons mentioned above, Ho‘ohana believes that that Commission has good cause to modify the 1996 Order in Docket No. A92-683 to expressly allow Ho‘ohana to develop the utility-scale solar farm on Parcel 52 as an interim use of the land for an operational period not to exceed 30 years.

Based on the foregoing, H.A.R. sections 15-15-70, 15-15-94, evidence and testimony to be provided at the hearing on this Motion, and the records and files in this Docket, successor Petitioner HO‘OHANA SOLAR 1, LLC, respectfully requests that the Commission grant the Motion and: (1) recognize HO‘OHANA SOLAR 1, LLC as the Successor Petitioner to Parcel 52, with standing to seek and obtain the relief requested herein; (2) issue an order modifying the Commission's *Amended Findings of Fact, Conclusions of Law, and Decision and Order* dated October 1, 1996, as amended by the Commission's October 7, 2013 *First Amendment to the Amended Findings of Fact, Conclusions of Law, and Decision and Order* filed on October 1, 1996, to expressly authorize the proposed 30-year interim use of Parcel 52 for solar farm development; and (3) delete Condition No. 21 of the 1996 Order, as amended by the 2013 Order, requiring the Commission's prior approval to change any ownership interest in the Petition Area, because it has been fully satisfied, or, in the alternative, pursuant to the requirements of

Condition No. 21, approve the proposed lease of Parcel 52 by the landowner ROBINSON KUNIA LAND LLC to Successor Petitioner HO'OHANA SOLAR 1, LLC to allow the solar farm development.



STEVEN S.C. LIM
JENNIFER A. BENCK
PUANANIONAONA P. THOENE

Attorneys for Successor Petitioner to Parcel 52
HO'OHANA SOLAR 1, LLC

Dated: Honolulu, Hawai'i, August 11, 2014